Wayne County
Dairy Processing Business Plan

Prepared for:

Wayne County Board of Commissioners
Wayne County Dairy Feasibility Group

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Table of Contents

1.0 Background Brief and Mission

2.0 Industry and Business Trends

3.0 Marketing Plan

4.0 Management and Operational Plan

5.0 Site Description

6.0 Legal Structure and Organizational Plan

7.0 Funding Sources

8.0 Financial Plan

9.0 Financing Request

APPENDIX A - List of Northeastern US Dairy Related Wholesalers

1.0 Background Brief and Mission

Shepstone Management Company, Inc. was contracted to assess the feasibility of establishing additional dairy processing capacity in Wayne County, a study that was completed in July, 2020. It found a Wayne County cheese plant is financially feasible and, while there are certain risks, they are mitigated by the potential availability of county land and access to grants and low-cost capital. This business plan lays out how this can be accomplished.

The mission is to support the retention and possible expansion of the Wayne County dairy industry as a fundamental aspect of the county's economy and rural character. More specifically, these are the goals:

- Growing milk demand within Wayne County,
- Enhance milk pricing and farm income for Wayne County farmers and
- Supporting agri-tourism and retention of rural character as economic assets.

The *Pennsylvania Dairy Study* prepared in 2017-2018 identified dairy processing opportunities as follows:

> *"Substantial incentives appear to exist for additional processing capacity in Pennsylvania—especially for other" cheese (non-American types, including Italian and specialty cheese) plants—based on their potential to reduce overall supply chain costs given 2016 milk production and dairy product demands."*

Given that hauling costs are likely to be most impactful with respect to bulk quantities of raw product, a processing plant located between New York City and large milk producing areas can attract dairy producers, while positioning the processor to also get the finished product to market more economically. Wayne County is such a location.

The data shows the primary market for products that might be produced by a Wayne County dairy processor consists of the New York City metro area and specialty cheese production offers a distinct niche for any dairy processor in close proximity. It attracts large numbers of Hispanic immigrants and is also home to equally large numbers of higher income households apt to find ethnic and other specialty cheeses appealing.

The data suggests the best speciality cheese opportunities for a dairy processor to exploit are among Italian cheeses (e.g., Parmesan), Feta cheeses and Hispanic cheeses. Hispanic cheeses, in fact, have been showing steady growth for some time.

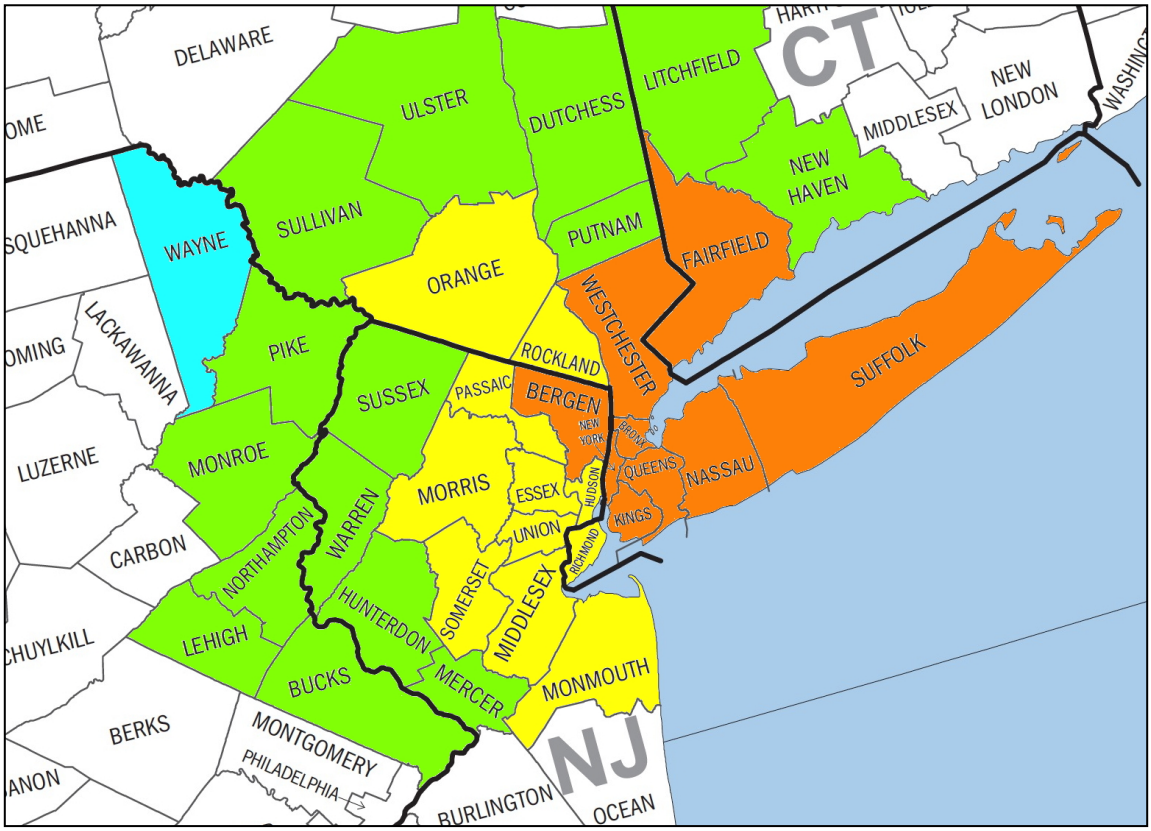
The feasibility study recommended a soft-cheese Hispanic soft cheese (especially Queso Blanco and Queso Fresco) manufacturing facility capable of processing the milk from a minimum of eight 75-cow dairies (roughly 40,000 pounds per day). This is proposed and will be located in a leased built-to-suit facility in the Waymart area to be operated by a private company. Initially, the facility will start at a much lower volume, but grow with market development. The system will be designed to pasteurize 8-10 gallons per minute initially into six 200 gallon cheese kettles.

Land, because the facility will be located on private property expected to be leased to an operator, will not be a capital cost. The building will be roughly 12,000 square in size and site improvements will include grading, stormwater improvements, a pre-treatment sewage system (and/or improvements to the Waymart Area Authority sewage collection and treatment system) and connection to the local water company system.

This dairy processing business will be a public/private partnership. The county hopes to assist the private development of the facility by partially equipping it using financial assistance from USDA and/or other funding sources (e.g., the Appalachian Regional Commission) and facilitating of the lease of the facility to a private operator, which will have been solicited through requests for proposals. Incentives will be offered to attract an operator. These will include job training and marketing assistance. This structure minimizes risk to all parties and maximizes the ability to secure a milk supply through a proposed $2.00 per hundredweight premium structure.

2.0 Industry and Business Trends

The primary market for products consists of New York, Bronx, Kings, Nassau, Queens, Suffolk and Westchester Counties in New York, Fairfield County in Connecticut and Bergen County in New Jersey. A secondary market includes parts of Northern New Jersey plus Orange and Rockland Counties in New York. A tertiary market includes several adjoining counties. The map depicts these and the table below summarizes dairy sales:



ESRI Estimated 2019 Dairy Product Spending				
Category	**Primary Market**	**Secondary Market**	**Tertiary Market**	**Total Market**
Butter	$242,975,059	$105,546,303	$66,198,985	**$414,720,347**
Cheese	$1,114,035,182	$491,008,983	$303,619,970	**$1,908,664,135**
Cream	$209,653,184	$93,480,842	$59,474,263	**$362,608,289**
Fresh Milk	$983,992,021	$413,758,929	$248,161,130	**$1,645,912,080**
Ice Cream	$485,761,332	$213,428,267	$133,405,120	**$832,594,719**
Other Dairy	$519,232,882	$221,908,549	$132,944,024	**$874,085,455**
Total Dairy	**$3,555,649,660**	**$1,539,131,873**	**$943,803,492**	**$6,038,585,025**

Table 1: Dairy Product Spending (Source: ESRI)

The total market for dairy products within the 35 counties involved is over $6 billion with more than half coming from the nine counties that constitute the Primary Market Area (PMA).

The combined total market is expected to grow by $915 million over the next five year, with 60% coming from the PMA and 31% or $170 million of that growth being accounted for by cheese alone. The total cheese market is $1.9 billion and cheese spending per household is more than twice the national average. Secondary Market Area (SMA) spending on cheese, in fact, is 2.26 times the national average.

The significance of this spending index is that it is far higher than the indexes for other dairy products, those ranging from 1.24 to 1.40 times the national average. The latter merely reflect the higher cost of living in the metro area, whereas the cheese figure reveals an extraordinary level of demand.

Speciality cheese opportunities predominate in the market areas and among these are Italian cheeses (e.g., Parmesan cheeses), Feta cheeses and Hispanic cheeses. Hispanic cheeses, in fact, have been showing steady growth for some time, as the following chart, prepared from USDA data supplied by the Economic Research Service, illustrates:

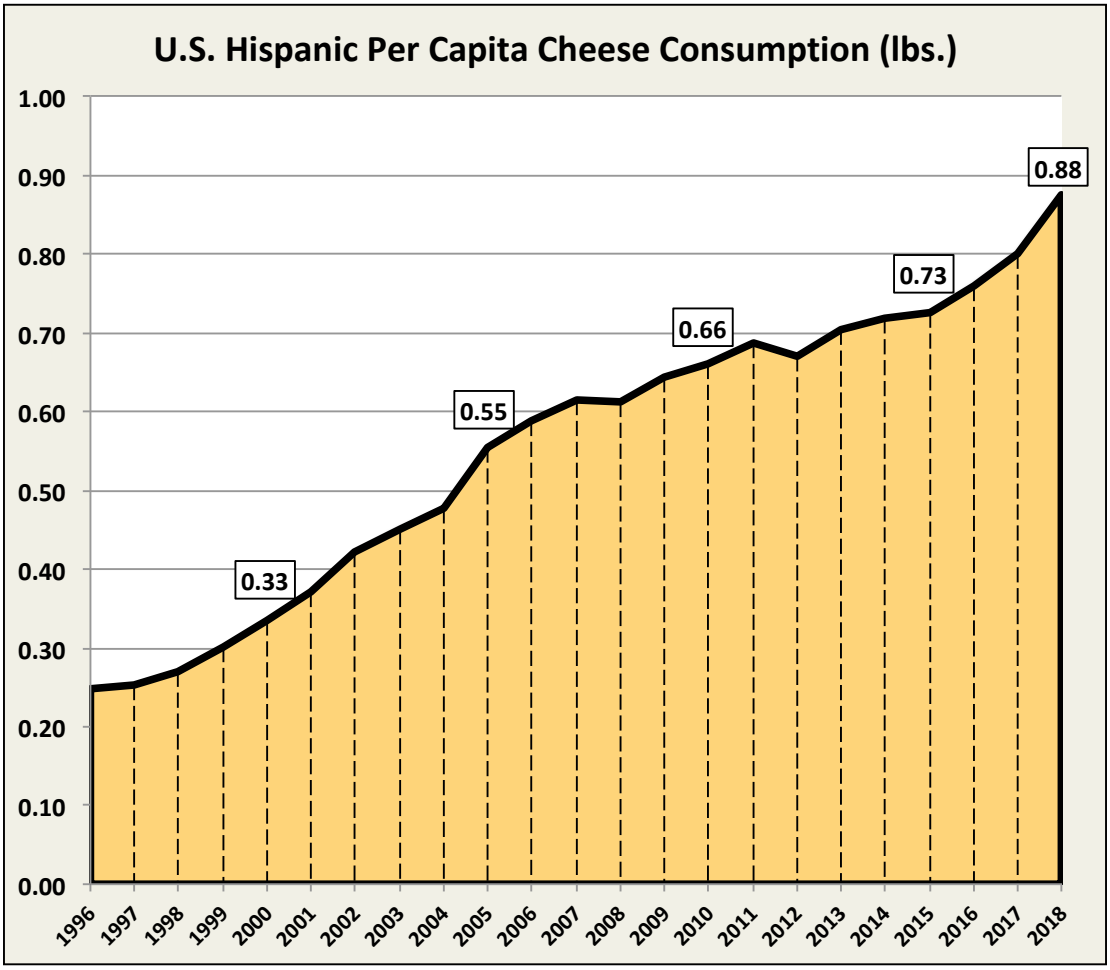


Figure 1: Hispanic Cheese Consumption (Source: USDA-ERS)

The average 0.88 pounds of Hispanic cheese consumed in 2018 was based on the U.S. population as a whole. It is equivalent to 4.81 pounds per capita as applied to the U.S. Hispanic population.

Popular Hispanic cheeses include Queso Fresco (means “fresh cheese”), Queso Quesadilla, Cojita and Oaxaco. Queso Fresco is, by far, the most popular, accounting for a 62% market share in multi-outlet retail and convenience stores, according to Information Resources, Inc. (IRi), a market research firm. Queso Quesadilla represents 7% of the Hispanic cheese market. Significantly, the Hispanic percent of total buying power by state was 11% for New Jersey in 2016 and 10% in New York State.

The Primary Market Area is also characterized by a greater propensity to spend on specialty cheese products, as indicated by ESRI indices of consumer spending patterns compared to the national average. The data shows spending on cheese has an index of 218, which means the spending in the case of this particular geography is 218% of that expected from the typical U.S. consumer.

There are other dairy processors within or capable of serving the designated market areas but none of the size or product mix that would be likely to be serious competitors, given the potential demand discussed above and the available milk supply within Wayne County and adjoining counties.

Tropical Cheese Industries, for example, is located in Perth Amboy, New Jersey and does an estimated $150 million in sales. According to D&B Hoovers it “manufactures specialty dairy products under the Paisano, El Molino Rojo and Tropical brand names to satisfy the specialty fresh cheese needs of Caribbean and Hispanic consumers living throughout the US.” The company specializes in Hispanic cheeses such as Queso Fresco and primarily distributes its products along the East Coast. It is a volume, rather than a niche producer, though.

Likewise, Upstate Farms Cheese is a subsidiary of Upstate Niagara Cooperative, Inc., which is a farmer-owned cooperative representing 300± family-farms in western New York. The cheese plant, located in Campbell, New York (Route 17 slightly west of Corning) is one of several plants operated by the co-op and focuses on Mozzarella string cheese. The co-op as a whole also markets fluid milk, yogurt, Riccota cheese, cottage cheese and frozen deserts. It also promotes its co-packing services. Therefore, it is more likely a potential co-packing partner than a competitor.

Catskill Creamery is a proposed dairy processing facility proposed on the grounds of Sullivan County Community College (SUNY Sullivan) in Loch Sheldrake, New York. It proposes to take advantage of niche opportunities such as products manufactured from milk from grass fed cows, products made using low temperature vat pasteurization, products locally and humanely

produced, certified GMO free products and specialty kosher products. Its proposed products includes a specialty line of premium goods for the specialty kosher market, sometimes referred to within that market as Chalav Yisrael (Israel Milk). The facility would offer, once again, offer co-packing and joint marketing opportunities, as opposed to being a competitor.

Although there are non-dairy substitutes for fluid milk (e.g. almond milk, other beverages) and fluid milk is difficult to distinguish through branding, there are relatively few substitutes for products such as Hispanic, Italian or Feta cheeses. They are, rather, distinct and not easily replaceable products. The elasticity of these niche items is limited and, therefore, pricing tends to be somewhat less competitive.

Cheese can, in fact, be branded in innumerable ways via the techniques employed to produce it and the multitude of flavor and forms that are possible. Niche product lines can realistically be pursued with cheeses, whereas fluid milk, cream and other products are much less distinguishable and less capable of being branded and priced as premium products. Moreover, while there are a limited number of plant-based cheeses, they are still fairly low quality in nature.

Cheese consumption is generally nonseasonal. There are small increases in demand prior to the Holidays and prior to the NFL Super Bowl. These are also good opportunities to introduce new specialty products, which bodes well for the potential competitiveness of a Wayne County facility.

New products will be developed and may include new varieties (types) of cheese or new flavors of existing cheese. For example, the original product might be Queso Fresco — a mild, fresh, Hispanic-style cheese. The product line extension might be Queso Fresco with jalapeno or habanero added. Developing such specialties within the Hispanic category or another will ensure competitiveness and help secure premium status, along with higher pricing.

3.0 Marketing Plan

3.1 Summary

The marketing plan for this venture is based on analyses of regional consumer demographics/ profiles, consumer preferences and demand trends for dairy products, analysis of marketing/ promotion outlets, and evaluations of regional competitors' annual advertising and marketing budgets. The plan also provides supplemental information for examining the potential marketing/distribution opportunities with existing dairy/cheese wholesalers and distributors, and regional grocery and delicatessen wholesalers/distributors. In summary:

- The primary, secondary, and tertiary market region comprises 36 counties from four states (PA, NY, NJ, and CT) representing approximately 24 million people. The demographics of the area's consumers are diverse but consist primarily of urban/ suburban dwellers. About 25% of the population is of Hispanic origin, yet the racial and ethnic foundations of the region are varied relative to other areas of the country.

- Cheese represents the greatest market potential for dairy products in the region. Consumption of cheese increased during the COVID pandemic and cheese is considered a valuable contribution to consumers' diets in all aspects of dining and snacking (e.g. breakfast, mid-morning snack, lunch, afternoon snack, dinner, social events, etc.). Cheese consumers are inclined to purchase natural cheeses, primarily the varietals with which they are most familiar. Flavor offerings within varietals and emphasis on both quality and nutritional values of cheese may help promote new cheese items in the market area.

- A large percentage of the market area's population focuses on health and fitness, so a marketing message about the protein and calcium content of dairy products may help form the company's message. More than half of the area's consumers indicated that quality leads them to forego price considerations – to a degree – in purchasing decisions. Social responsibility messages from companies have an impact on their purchasing decisions – especially if the impacts of those social causes can be recognized by the area's consumers.

- Marketing budgets for cheese and dairy products processors in the region represent less than 3% of gross sales over a four-year evaluation period. Any marketing messages delivered by the company – mass media, local coverages, in-store promotions, etc. – need to be crafted and targeted to consumers in an efficient manner to generate "bang for the buck."

- The firm chosen to develop a dairy processing facility in Wayne County will consider co-marketing and distribution opportunities that may exist with current wholesalers and distributors of dairy products in the region. The best way to get the products to consumers is to take advantage of existing refrigerated dairy products distribution networks and find a way to get space in those wholesalers' warehouses.

3.2 Demographics and Food Expenditures

The primary, secondary, and tertiary markets identified for this project represent 36 counties across four states in the Northeastern part of the US. These states are Pennsylvania, New York, New Jersey, and Connecticut.

The population of this four-state and largely urban market area is approximately 24 million people, with a median age of 39.4 years. Economically, it has a median per capita annual income of $43,128.

The Hispanic population for the area is roughly six million people, or about 25% of the total, indicating the Northeast represents a very large potential market for Hispanic cheeses. Figure 2 provides a depiction of the population in terms of education, household income, per capita income, and net worth.

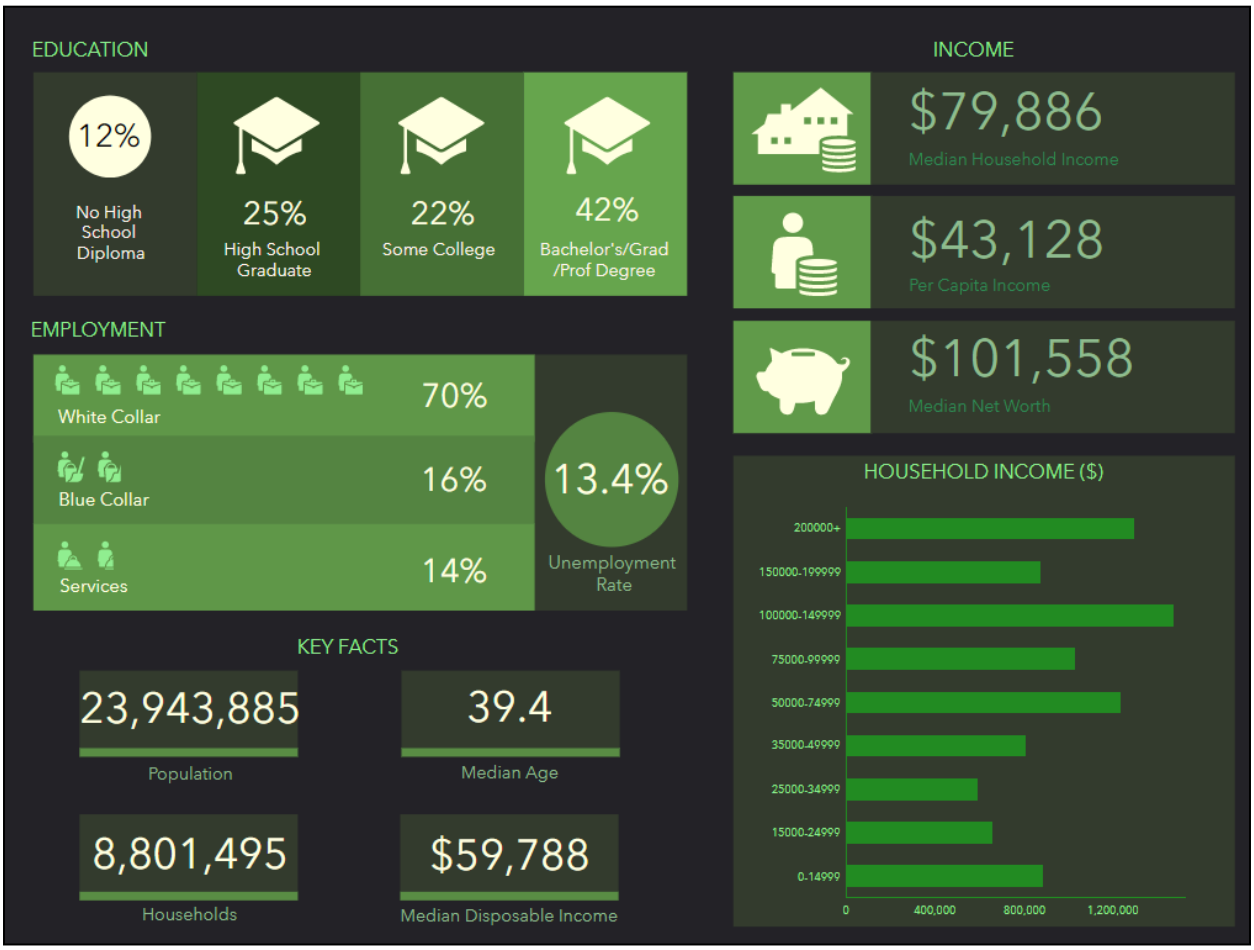


Figure 2: 2020 Economic and Educational Profile of Citizens in the 36-County Market Area (Source: ESRI, 2021)

The age distribution of residents in this region closely mirrors the national average, as shown in Figure 3 following:

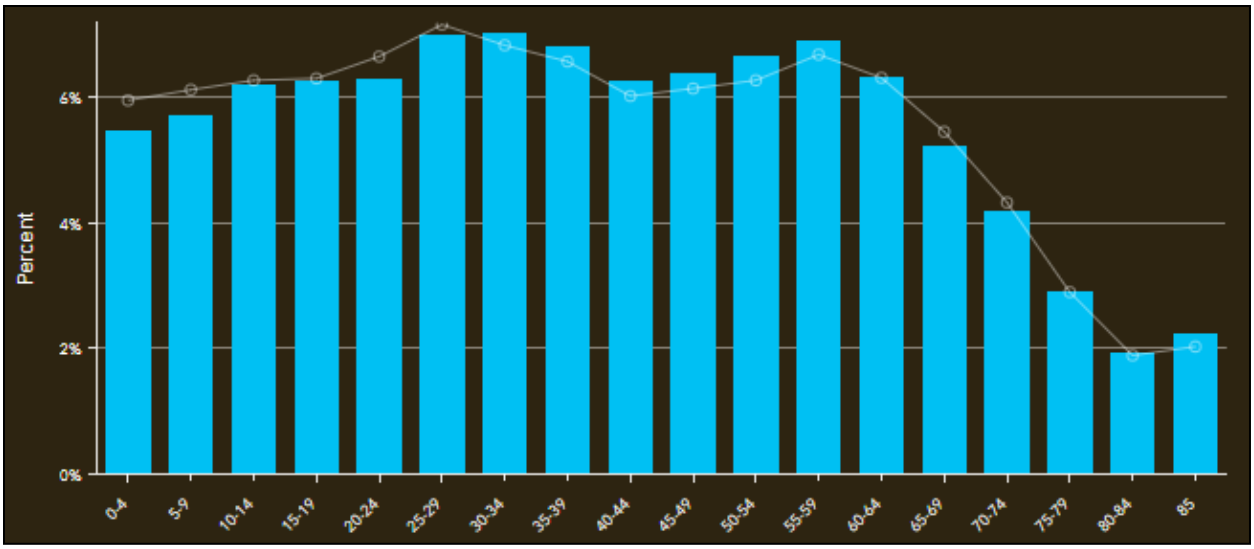


Figure 3: Age Distribution of Residents in the Market Area [Note: White line represents U.S. average] (Source: ESRI, 2021)

A target market assessment of these 8.8 million households provided by Esri provides greater insight into the diversity of household categories and purchasing habits. Five household tapestry segments represent approximately 75% of the population in the area. Using ESRI's nomenclature, these five household types – in descending order of percentages – are "Upscale Avenues" (17.81%), "Middle Ground" (16.53%), "Affluent Estates" (15.40%), "Next Wave" (14.47%), and "Uptown Individuals" (11.20%). These are defined as follows, verbatim from ESRI's tapestry segmentation website[1]:

Upscale Avenues (17.77% of market area households)

- Prosperous married couples living in older suburban enclaves
- Ambitious and hard-working
- Homeowners (70%) prefer denser, more urban settings with older homes and a large share of townhomes
- A more diverse population, primarily married couples, many with older children
- Financially responsible, but still indulge in casino gambling and lotto tickets
- Serious shoppers, from Nordstrom's to Marshalls or DSW, that appreciate quality, and bargains
- Active in fitness pursuits like bicycling, jogging, yoga, and hiking
- Subscribe to premium movie channels like HBO and Starz

Middle Ground (16.50% of market area households)

- Lifestyles of thirtysomethings
- Millennials in the middle: single/married, renters/owners, middle class/working class

[1] *ESRI Demographics – Tapestry Segmentation.* *https://doc.arcgis.com/en/esri-demographics/data/tapestry-segmentation.htm#ESRI_SECTION2_D34B7970D92941D5A32339D6E31C29CE*

- Urban market mix of single-family, townhome, and multi-unit dwellings
- Majority of residents attended college or attained a college degree
- Householders have ditched their landlines for cell phones, which they use to listen to music (generally contemporary hits), read the news, and get the latest sports updates of their favorite teams
- Online all the time: use the Internet for entertainment (downloading music, watching *YouTube*, finding dates), social media (*Facebook*, *Twitter*, *LinkedIn*), search for employment
- Leisure includes night life (clubbing, movies), going to the beach, some travel and hiking

Affluent Estates (15.36% of market area households)

- Established wealth—educated, well-traveled married couples
- Accustomed to "more": less than 10% of all households, with 20% of household income
- Homeowners (almost 90%), with mortgages (65.2%)
- Married couple families with children ranging from grade school to college
- Expect quality; invest in time-saving services
- Participate actively in their communities
- Active in sports and enthusiastic travelers

Next Wave (14.43% of market area households)

- Urban denizens, young, diverse, hard-working families
- Extremely diverse with a Hispanic majority, the highest among LifeMode groups
- A large share are foreign born and speak only their native language
- Young, or multigenerational, families with children are typical
- Most are renters in older multi-unit structures, built in the 1960s or earlier
- Hard-working with long commutes to jobs, often utilizing public transit to commute to work
- Spending reflects the youth of these consumers, focus on children (top market for children's apparel) and personal appearance
- Also a top market for movie goers (second only to college students) and fast food
- Partial to soccer and basketball

Uptown Individuals (11.17% of market area households)

- Young, successful singles in the city
- Intelligent (best educated market), hard-working (highest rate of labor force participation) and averse to traditional commitments of marriage and home ownership
- Urban denizens, partial to city life, high-rise apartments and uptown neighborhoods
- Prefer credit cards over debit cards, while paying down student loans
- Green and generous to environmental, cultural and political organizations
- Internet dependent, from social connections to shopping for fashion, tracking
- investments, making travel arrangements, and watching television and movies
- Adventurous and open to new experiences and places

Although the household market segmentation may not match other regions of the US, food expenditures closely match the national average. Table 2 shows the total household spending for the market area, plus the percentages spent on food – both at-home and away-from-home.

Food Expenditures Share of Market Area Household Expenditures		
Aggregate Household Spending	**Dollar Volume**	**Percentage**
Total Expenditures	$867,603,509,288	100.00%
Food	$102,667,442,715	11.80%
Food at Home	$60,201,337,362	6.90%
Food Away from Home	$42,466,105,352	4.90%

Table 2: Food Expenditures as Share of Household Expenditures for the Market Area (Source: ESRI and Bureau of Labor Statistics, 2020)

Food at home expenditures for dairy products in the market area are expected to grow significantly in the next five years. Using the previously illustrated 2019 ESRI predictions, Table3 compares expected dairy spending for 2019 and 2025.

Estimated Dairy Spending, 2019-25			
Category	**2019 Volume**	**2025 Forecast**	**% Change**
Butter	$414,720,347	$499,003,912	20.3%
Cheese	$1,908,664,135	$2,261,454,347	18.5%
Cream	$362,608,289	$452,645,369	24.8%
Fresh Milk	$1,645,912,080	$1,823,321,383	10.8%
Ice Cream	$832,594,719	$953,947,638	14.6%
Other Dairy	$874,085,455	$959,035,679	9.7%
Total Dairy	**$6,038,585,025**	**$6,949,408,328**	**15.1%**

Table 3: Estimated Dairy Product Spending, 2019 and 2025 Forecast (Source: ESRI)

In terms of dollar amount, cheese surpasses all other dairy product spending categories. This category's growth rate also is considerably higher than the next largest category (fresh milk, 10.78%). As a category, cheese offers greater potential for product differentiation than other dairy products (except possibly ice cream) due to the wide range of varietals, flavors, and consumption opportunities.

Thus, the market potential for cheese is arguably the greatest growth opportunity for dairy products over the next five years. A better understanding of consumer perceptions and buying habits for cheese is necessary to fully comprehend the market potential, though.

3.3 Cheese Purchasing and Consumption Trends and Drivers

Cheese is a household staple, with about 95% of US household participating in this product category. Natural cheese dominates the dollar sales, but consumption is fairly consistent across all cheese types and there is opportunity to expand engagement across all cheese types.

However, the more likely way to grow sales will be increasing consumption frequency rather than repertoires. Embracing less-traditional and underutilized occasions, like snacking or breakfast, can help consumers find different ways to enjoy products they already enjoy or experiment with new products.

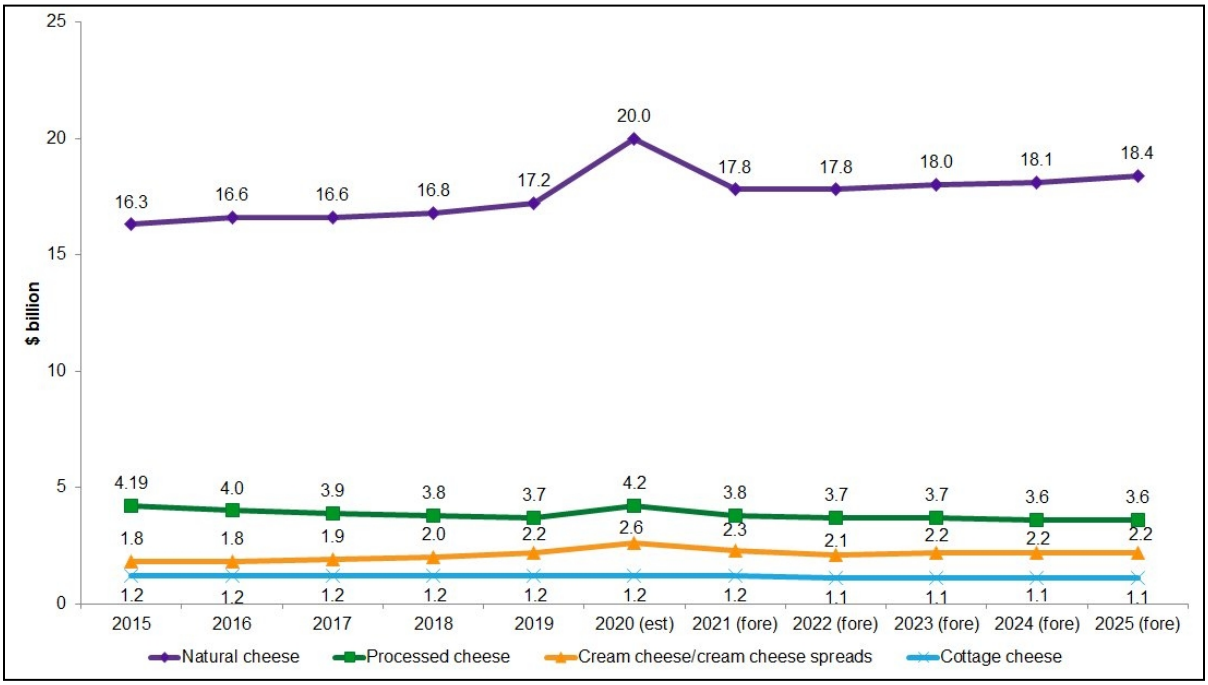


Figure 4: US Retail Sales and Forecast for Cheese by Segment, 2015-2025 (Sources: IRI InfoScan Reviews, IDDBA, US Census Bureau, and Mintel)

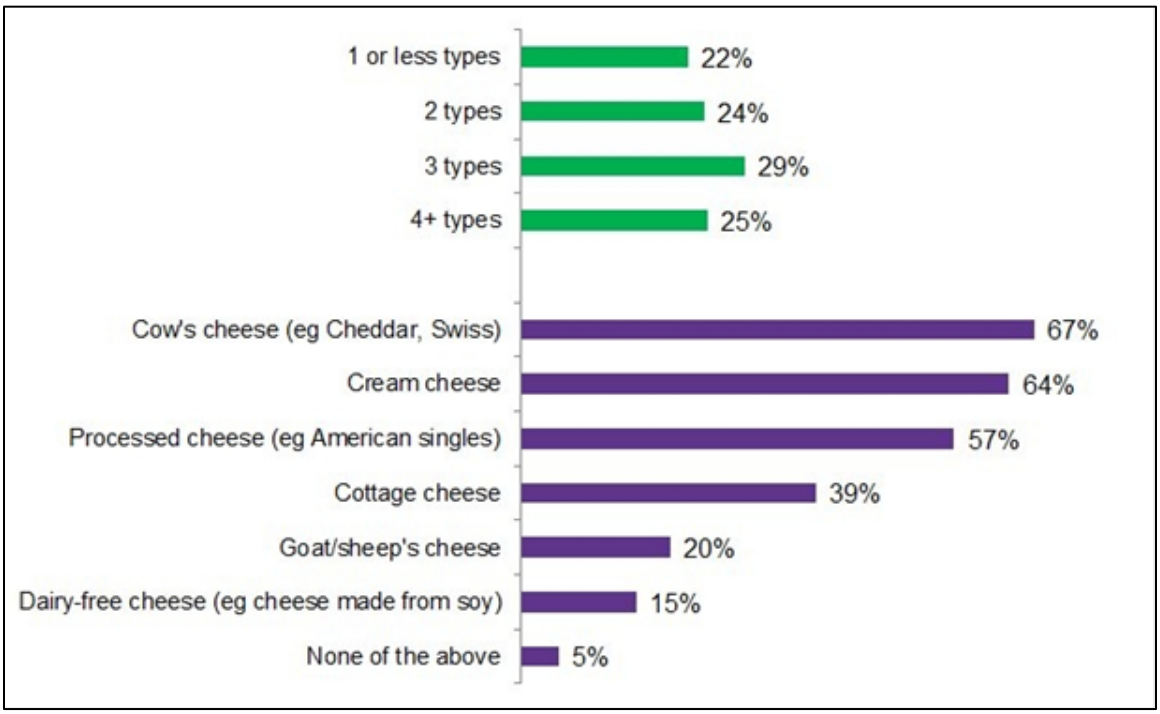


Figure 5: Cheese Consumption Repertoire - Types Consumed by 2000 Internet Users in the Past Three Months (Source: Lightspeed/Mintel, Nov. 2020)

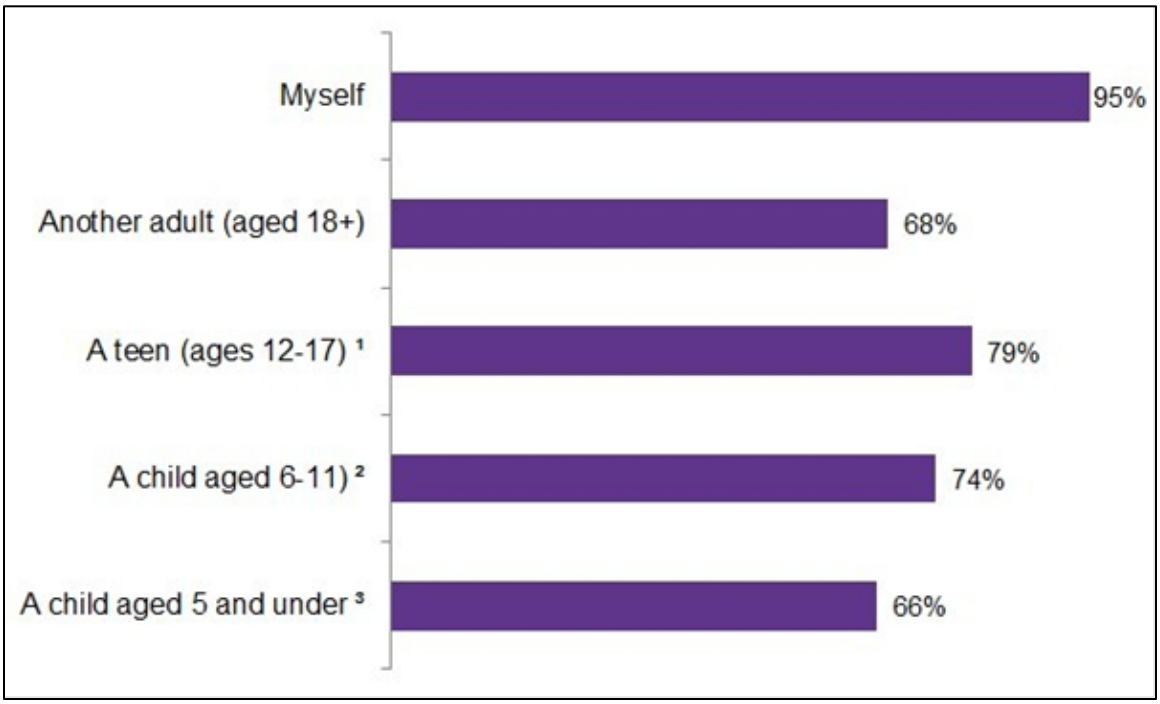


Figure 6: Cheese Consumption by Household Members, Respondents' Answers (Source: Lightspeed/Mintel, November 2020)

Mintel observed that households with children were more inclined to have consumed three or more types of cheese during the three-month period relative to non-child households.

On the other hand, households with higher incomes are more likely to eat nearly all types of cheese (except processed cheese).

Past market research following the Great Recession suggested that economic uncertainty paired with rising dairy prices led consumers to purchase less or opt out of the category altogether rather than trade down in price.

While value may be a primary driver of consumer behavior in this category, it may well be most advantageous to consider positioning unique and higher-quality products as affordable food luxuries for wealth aspiring households.

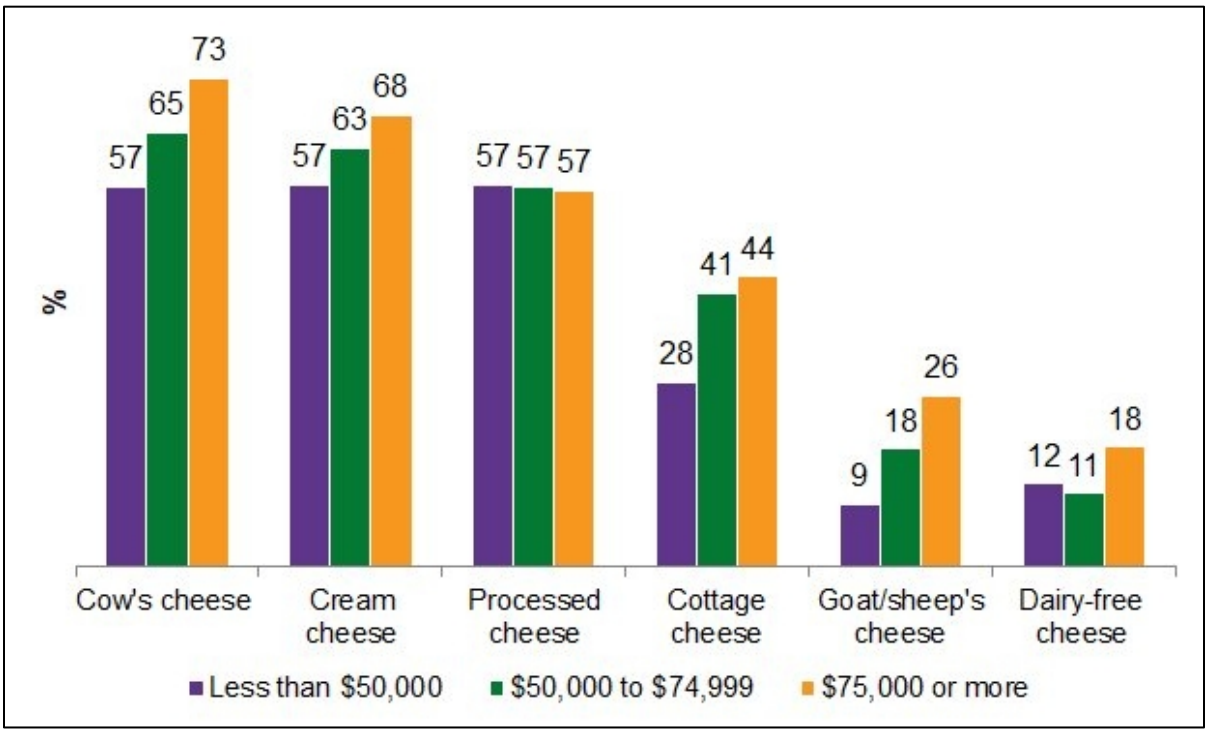


Figure 7: Cheese Types Consumed in the Past Three Months, by Household Income (Source: Lightspeed/Mintel, November 2020)

Not surprisingly, the most consumed cheese varieties are also the ones that dominate store shelves and menus (Simmons Research, 2020). Although 40% of cheese consumers would be motivated to try a new cheese if it featured unique flavors, half of dairy consumers stick to familiar flavors when choosing dairy products.

This suggests many consumers are willing to explore new flavor profiles, but only to an extent. Pairing traditional favorites like cheddar or mozzarella with unique, bold or unexpected flavor profiles can make products uniquely desirable without taking consumers too far out of their comfort zone.

Kinds of Cheese Eaten by US Households		
Variety	**Respondents**	**% Respondents**
Cheddar	1,999	73%
Mozzarella	1,478	67%
Parmesan/Romano	6,405	50%
Monterey Jack	3,374	48%
Swiss	2,647	44%
Pepper Jack	2,323	41%
Provolone	1,767	41%
Colby	895	41%
Feta	946	29%
Gouda	4,089	25%
Ricotta	5,805	25%
Muenster	2,020	23%
Blue Cheese	4,281	22%
Havarti	3,480	19%
Other	3,521	18%
Brie/Camembert	2,140	15%
Longhorn	4,102	11%
Jarlsburg	1,422	9%

Table 4: Kinds of Cheese Eaten, November 2019 - June 2020 - 9,009 US participants (Source: Simmons Research, Simmons 12-Month NHCS Adult Study, 2020)

Even as the COVID-19 pandemic gripped the world, cheese consumption either remained unchanged or increased. Mintel's 2020 cheese market report found that of 1,803 survey respondents, 68% of consumers were eating the same amount of cheese in 2020 as they did in 2019.

However, 27% of consumers were eating cheese more often. Only 6% of respondents were consuming less cheese relative to the previous year.

Consumers in the ages between 25 and 44 represented the largest share of the growth in cheese consumption.

A breakdown of responses by age group are provided following:

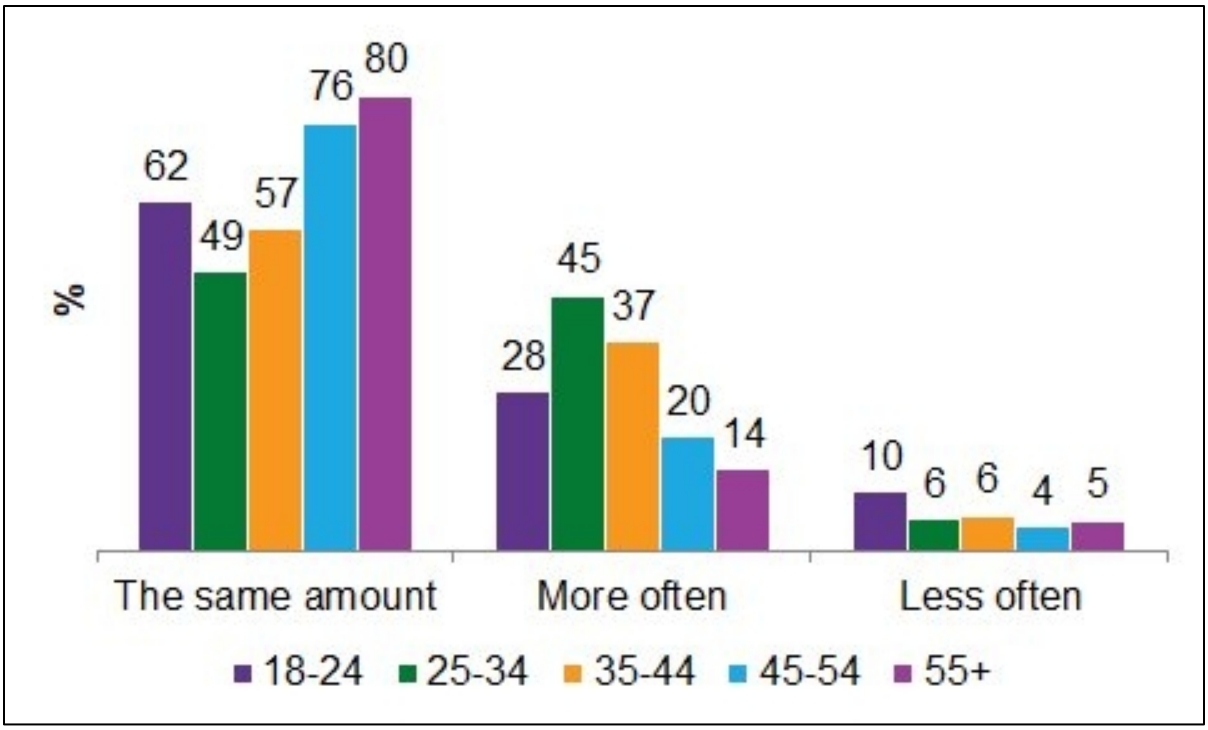


Figure 8: Change in Cheese Consumption by Age, August 2020 (Source: Lightspeed/Mintel)

The reasons behind increased cheese consumption are mostly tied to occasions and category variety. Although the reasons for increasing consumption are intertwined, more people cite increased snacking (53%) and using it more in meals (51%) than report COVID-19 (43%) as a specific reason.

This highlights that the true catalyst behind growth, which was triggered by COVID-19, lies in the category's versatility and wide product range that can serve a variety of consumers in numerous ways.

These benefits can be harnessed by brands to help consumers reach for more types of cheese more often. Highlighting how different types of cheese fit into a consumer's day with meal plans, recipe content and pairing recommendations can help consumers experiment with new types, forms and uses. It will need to be and will be an integral part of the marketing strategy for the Wayne County Dairy Processing facility.

Conversely, for the 6% who consumed less cheese than in the previous year, the primary reasons were tied to weight/health concerns. While 76% agree that cheese is part of a healthy diet, and 65% agree cheese is healthier than other snacks, there is a perception, right or wrong, that cheese consumption is tied to inhibited weight loss, which will have to be addressed with education as part of the marketing message.

Additionally, there is a perception that dairy consumption in general should be decreased for health reasons. Once agin, education is needed and it will benefit cheese marketing to focus on the high protein/low carb and calcium contributions of cheese to a healthy diet.

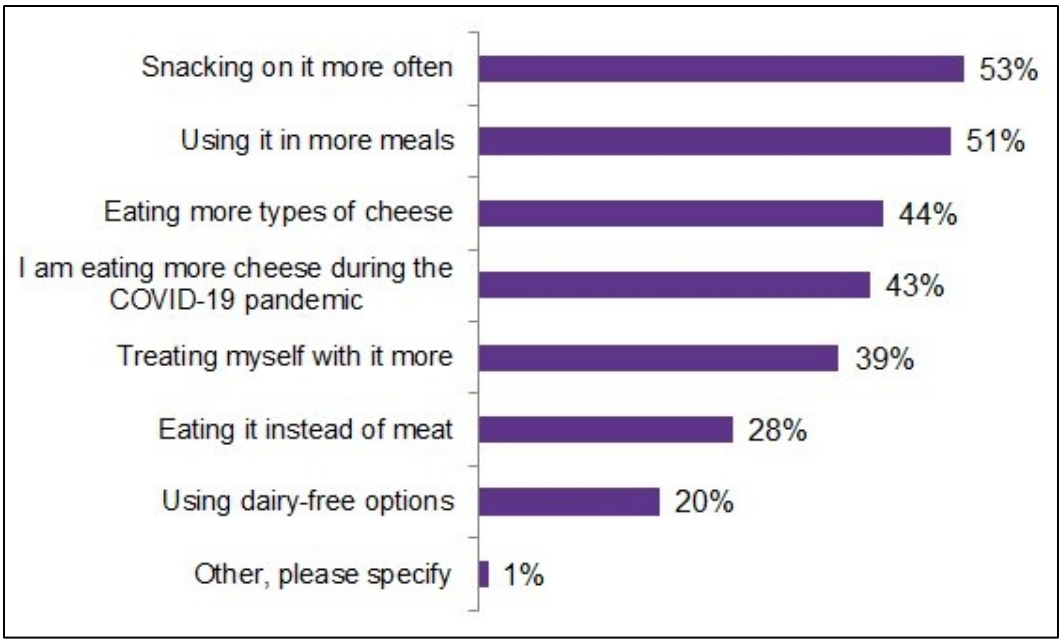


Figure 9: Reasons for Increased Cheese Consumption, August 2020 (Source: Lightspeed/Mintel)

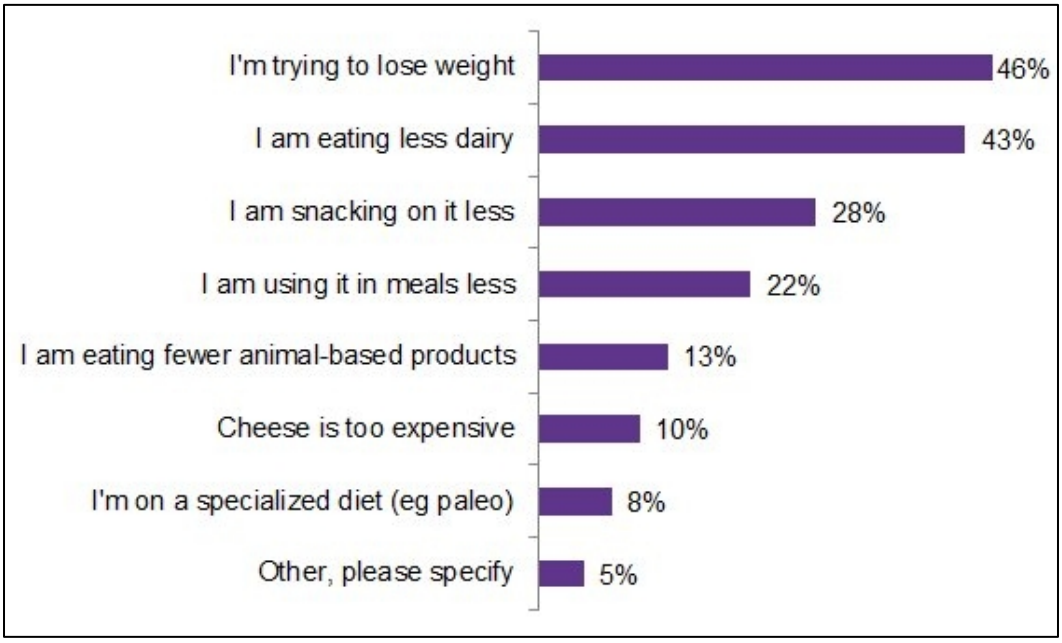


Figure 10: Reasons for Decreased Cheese Consumption, August 2020 (Source: Lightspeed/Mintel)

In terms of the timing of cheese consumption, meals remain the primary driver behind consumers' cheese eating habits. But, two-thirds of respondents indicated that cheese works well as a snack for a variety of occasions. For those who do enjoy cheese as a snack, flavor remains the primary driver of their cheese snack choice. Other attributes (e.g. uniqueness, affordability, calorie content, etc.) play lesser varied roles in cheese snacking decisions.

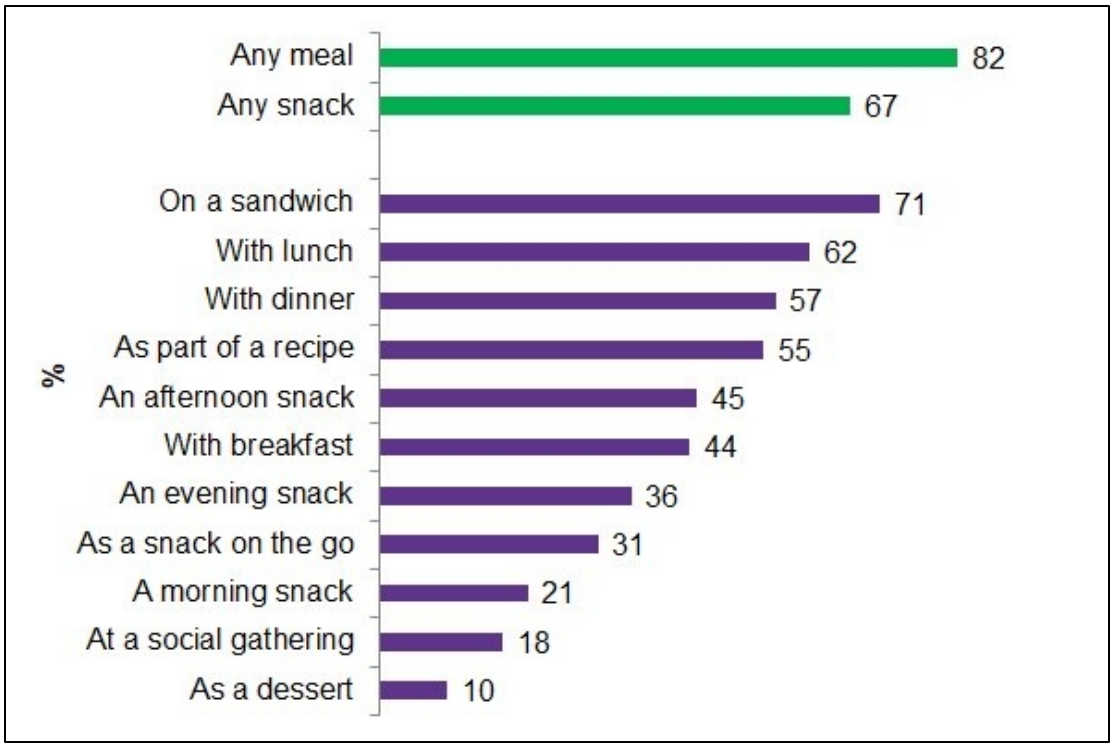


Figure 11: Cheese Consumption Occasions, August 2020
(Source: Lightspeed/Mintel)

Queso Oaxaca, Mexican Cheese

Cheese Consumption Occasions and Attributes						
Occasions	At a Social Gathering	As Part of a Meal	As a Snack for Myself	As a Snack for My Kids	On a Sandwich	As Part of a Recipe
Sample size	N=337	N=1,565	N=1,222	N=390	N=1,355	N=1,040
Attributes	%	%	%	%	%	%
Familiar Flavor	46%	46%	45%	38%	55%	51%
Affordable	27%	37%	34%	35%	39%	41%
Unique	39%	17%	18%	17%	13%	16%
Premium	42%	28%	24%	24%	23%	27%
All Natural Ingredients	30%	30%	30%	34%	28%	32%
High Protein	24%	25%	29%	39%	20%	18%
Low Calorie	14%	13%	16%	15%	12%	12%
Low Fat	16%	15%	19%	24%	14%	14%
Healthy	31%	35%	39%	55%	31%	30%
Adventurous Flavor	40%	20%	22%	16%	18%	20%
Indulgent	41%	20%	26%	28%	19%	23%
None of the Above	3%	5%	3%	2%	4%	5%

Table 5: Cheese Consumption Occasions and Attributes of 1,894 Age 18+ Consumers, August 2020 (Source: Lightspeed/Mintel)

As previously stated, taste is the primary driving factor for purchasing decisions. Interest in product innovation that leads to a unique and enjoyable experience is more motivating than features like packaging, functionality, ethical efforts and better-for-you claims. When highlighting product attributes like ingredients, farming practices or unique flavors, messaging should and will need to emphasize how they ultimately improve or enhance taste. Cheese marketers will also be requested to focus attention on recommended pairings and recipes that give consumers a better tasting experience.

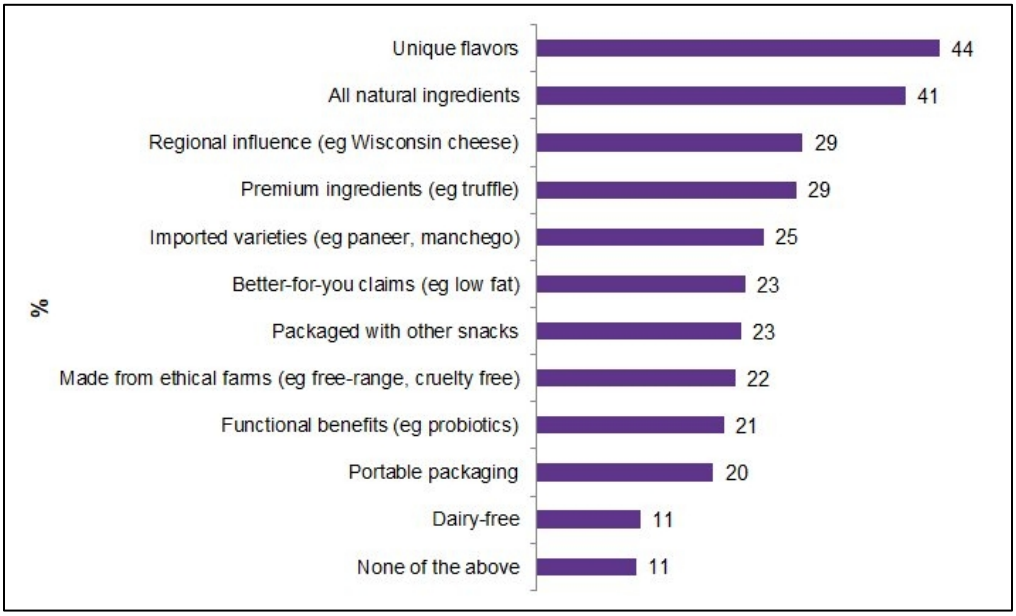


Figure 12: Cheese Innovations/Factors Motivating Trial, August 2020 (Source: Lightspeed/Mintel)

The primary take-aways from market research on consumers' cheese consumption habits and decision drivers are summarized in the following bullets:

- **Nearly all households eat cheese**

  Only 5% of US households don't eat any type of cheese, indicating that growing purchase volume and consumption frequency will be the way forward for long-term category growth.

- **Kids spur deeper category participation**

  Parents are more likely than non-parents to have broader cheese repertoires, and households with kids are more likely to eat cheeses like cream cheese, processed cheese and dairy-free cheese.

- **Versatility at the core of category growth**

  Americans ate a lot of cheese in 2020: 53% ate cheese while snacking; 51% said with more meals, and 44% attribute COVID-19 as a reason to eat more cheese (e.g., increased time at home and emotions). Versatility is clearly a hallmark of the category that can be finessed to drive increased occasions.

Quesos...by Christian Frausto Bernal

- **Remind consumers of cheese's inherent health benefits**

  While there are a small percentage of consumers who cite health concerns as the reason for reducing cheese consumption, a more significant share find cheese to be part of a healthy diet. Brands can connect with consumers by reminding them of cheese's naturally occurring health benefits like calcium and high protein.

- **Grow the snacking occasion**

  Consumption at meal times outperforms snacking at every day part, indicating that while brands have invested in snack-friendly products and messaging, there is still room to grow, especially because 65% of consumers think cheese is a healthier than other snacks.

- **Consider premium and unique products**

  Premium and unique cheeses are largely used at social gatherings, which have been limited or even altogether halted altogether because of COVID-19. Brands can use this time, when consumers are being asked to exercise caution, to encourage them to treat themselves to the cheeses normally reserved for special occasions.

- **Dairy-free faces taste and price challenges**

  Consumers are still indecisive about dairy-free cheese. Many consumers are not convinced of the health, taste or price, with attitudes about taste and price being particularly strong.

3.4 Analysis of Marketing/Promotion Media Options

From a marketing and promotion perspective, it is important to understand the psychographic profiles of market area residents – their lifestyles, beliefs, shopping patterns, etc. This information provides the bases for determining the best marketing approach for the firm pursue.

Additionally, it is important to assess the potential of various media outlets for informing consumers of the company's products and where they can be purchased. For the approximately 24 million people in the market area, psychographic and media impact assessments have been performed.

The following tables identify the most-used media outlets (television, online, print, etc.) as a starting point for marketing promotions strategies.

About 56% of buyers in the market region feel that "Buying American" is at least moderately important to them. More than 54% frequently or usually choose to purchase products on the basis of quality over price, which fits with the purchasing decision factors of cheese consumers in the 2020 Mintel report.

However, over 55% say price is frequently or usually more important than brand name for homogeneous products, suggesting that a small majority of the market area's consumers will make decisions based on price if they cannot recognize/perceive quality differences between brands. need to realize/perceive some attributes beyond simple brand recognition for purchasing decisions.

2020 Buying/Purchasing Psychographics		
Population Estimate for 36-County Region	**23,943,885**	**%**
Buying American is not important to me	2,031,264	8.5%
Buying American is slightly important to me	3,382,844	14.1%
Buying American is moderately important to me	7,798,005	32.6%
Buying American is important to me	5,633,832	23.5%
Rarely buy based on quality not price	1,481,776	6.2%
Occasionally buy based on quality not price	4,424,279	18.5%
Frequently buy based on quality not price	9,265,435	38.7%
Usually buy based on quality not price	3,682,489	15.4%
Price is rarely more important than brand name	1,472,604	6.2%
Price is occasionally more important than brand	4,111,719	17.2%
Price is frequently more important than brand name	8,450,245	35.3%
Price is usually more important than brand name	4,814,735	20.1%
Prefer shopping online over in-store	4,110,853	17.2%
Slightly prefer to shop online over going to store	6,358,946	26.6%
Do not prefer shopping online over in-store	3,689,161	15.4%
Rarely prefer shopping online over in-store	4,693,531	19.6%
Frequently use mobile in-store to look for coupons	4,002,342	16.7%
Sometimes use mobile in-store to look for coupons	5,942,433	24.8%
Do not use mobile in-store to look for coupons	4,467,812	18.7%
Rarely use mobile in-store to look for coupons	3,905,404	16.3%
Will rarely switch brands to use a coupon	3,287,509	13.7%
Will occasionally switch brands to use a coupon	6,451,822	26.9%
Will frequently switch brands to use a coupon	6,926,196	28.9%
Will usually switch brands to use a coupon	2,186,577	9.1%

Table 6: 2020 Buying/Purchasing Psychographics
(Source: GfK MRI)

Roughly two-thirds of the market area's consumers claim to frequently or always try to eat healthy with a nutrition focus. This emphasizes previous suggestions of promoting the dairy products on the basis of their roles in a healthy, protein-packed diet.

Organic versus "conventional" food product purchases are fairly evenly split, indicating other factors (e.g. health, flavor profiles, varietals, etc.) play a bigger role in purchase decisions than certified organic status.

The market area's consumers have strong feelings towards nature preservation and environmental responsibility, carrying over to their expectations of consumables and the

companies that market these products. This is a key factor with respect to marketing strategy.

Similarly, a majority of respondents expect to see some degree of social responsibility from the brands they support. While there may be some tendencies towards brands supporting the consumer's personally significant causes, there is a larger expectation of many companies to address social responsibility and altruism.

These consumer expectations can be used to craft a marketing message that promotes farm life, environmental stewardship, community involvement, and charity.

2020 Personal Health, Environmental and Social Issue Psychographics		
Population Estimate for 36-County Region	**23,943,885**	**%**
Personal Health/Fitness Attitudes		
Do not try to eat healthy	1,095,406	4.6%
Occasionally try to eat healthy with nutrition focus	2,007,795	8.4%
Frequently try to eat healthy with nutrition focus	8,765,194	36.6%
Try to eat healthy with nutrition focus	6,980,959	29.2%
Rarely eat organic foods	4,088,083	17.1%
Occasionally eat organic foods	5,560,516	23.2%
Frequently eat organic foods	6,178,548	25.8%
Eat organic foods regularly	3,026,021	12.6%
Rarely check food ingredients before buying	2,372,231	9.9%
Occasionally check food ingredients before buying	4,832,261	20.2%
Price is frequently more important than brand name	7,455,395	31.1%
Usually check food ingredients before buying	4,188,104	17.5%
Follow a regular exercise routine	5,442,910	22.7%
Frequently follow a regular exercise routine	6,228,729	26.0%
Occasionally follow a regular exercise routine	4,805,755	20.1%
Do not follow a regular exercise routine	2,369,730	9.9%
Environmental and Social Issues Attitudes		
Helping to preserve nature is very important	#########	55.9%
Helping to preserve nature is not important	2,034,620	8.5%
Helping to preserve nature is of average importance	3,427,674	14.3%
Company`s environmental record not important when buying	2,443,584	10.2%
Company`s environmental record slightly important when buying	6,187,126	25.8%
buying	7,665,756	32.0%
Company`s environmental record important when buying	2,550,608	10.7%

Table 7A: 2020 Personal Health, Environmental, and Social Issue Psychographics (Source: GfK MRI)

2020 Personal Health, Environmental and Social Issue Psychographics (Continued)		
Population Estimate for 36-County Region	**23,943,885**	**%**
Rarely pay more for environmentally safe product	2,186,210	9.1%
Occasionally pay more for environmentally safe product	5,023,914	21.0%
Frequently pay more for environmentally safe product	8,649,524	36.1%
Usually pay more for environmentally safe product	2,989,262	12.5%
Rarely value green products over convenience	2,711,840	11.3%
Occasionally value green products over convenience	5,962,777	24.9%
Frequently value green products over convenience	7,768,241	32.4%
Usually value green products over convenience	2,403,810	10.0%
Rarely buy natural products for environmental concern	2,393,478	10.0%
Occasionally buy natural products for environmental concern	5,477,025	22.9%
Price is frequently more important than brand name	8,170,096	34.1%
Usually buy natural products for environmental concern	2,809,941	11.7%
Do not expect brands I buy to support social causes	4,384,748	18.3%
Expect some brands I buy to support social causes	6,942,487	29.0%
Expect most brands I buy to support social causes	5,996,411	25.0%
Expect brands I buy to support social causes	1,527,528	6.4%
Unlikely to purchase brands supporting my causes	2,785,477	11.6%
Not as likely to purchase brands supporting my causes	5,505,109	23.0%
Likely to purchase brands supporting my causes	8,119,813	33.9%
More likely to purchase brands supporting my causes	2,438,407	10.2%
Unlikely to buy a brand that supports a charity	4,181,365	17.5%
Not as likely to buy brand that supports charity	5,849,595	24.4%
Likely to buy a brand that supports a charity	6,985,108	29.2%
More likely to buy a brand that supports a charity	1,833,600	7.7%

Table 7B: 2020 Personal Health, Environmental, and Social Issue Psychographics (Source: GfK MRI)

Marketing messages are delivered through a variety of media outlets, and the following tables provide an analysis of regional consumers' television viewing, traditionally printed (now in hard copy or electronic form) media trends, and listening preferences. The area consumers' local news viewing statistics are consistent with national trends: fewer consumers are focused on local TV news because they can access real-time news on their various devices.

The rise in consumers' use of streaming services may present unique future opportunities for advertisements related to locally-produced dairy products, but for now the prime TV/cable advertising opportunities are tied to purchased ad time on a select set of cable networks. The top 15 cable networks viewed by area consumers are provided in the table below. Each of these networks were watched by a minimum of 10% of the area's population in a given week.

2020 Media Market Potential - TV Viewing		
Population Estimate for 36-County Region	**23,943,885**	**%**
Household subscribes to cable TV	4,214,987	17.6%
Household subscribes to fiber optic	989,086	4.1%
Household subscribes to streaming video service: Google Play	171,615	0.7%
Household subscribes to streaming video service: Hulu	1,334,769	5.6%
Household subscribes to streaming video service: iTunes	369,535	1.5%
Household subscribes to streaming video service: Netflix	4,631,486	19.3%
Household subscribes to streaming video service: Prime Video	2,121,575	8.9%
Household subscribes to streaming video service: Sling TV	161,504	0.7%
Household has satellite dish: DirecTV	806,370	3.4%
Household has satellite dish: Dish Network	345,204	1.4%
Price is frequently more important than brand name	16,582,891	69.3%
Viewed any program on Spanish TV network in last 12 months	2,885,182	12.1%
Viewed any program on Univision in last 12 months	2,478,347	10.4%
Watch on TV: early evening network news (Mon-Fri)	867,631	3.6%
Watch on TV: early evening network news (weekend)	716,226	3.0%
Watch on TV: early morning news	1,046,438	4.4%
Watch on TV: early morning talk or informational or news	605,504	2.5%
Watch on TV: early evening local news (Mon-Fri)	1,034,269	4.3%
Watch on TV: late evening local news (Mon-Fri)	833,215	3.5%
Watch on TV: news specials	797,823	3.3%
Watch on TV: Sunday news or interview programs	573,241	2.4%
Cable/Streaming Networks with >10% Weekly Viewership		
Watched last week: A&E Television Network	2,976,614	12.4%
Watched last week: AMC (American Movie Classics)	2,858,208	11.9%
Watched last week: Animal Planet	2,491,694	10.4%
Watched last week: CNN (Cable News Network)	4,882,862	20.4%
Watched last week: ESPN	4,488,912	18.8%
Watched last week: Food Network	3,855,660	16.1%
Watched last week: Fox News Channel	3,854,739	16.1%
Watched last week: HGTV (Home & Garden Television)	3,340,968	14.0%
Watched last week: History Channel	3,793,609	15.8%
Watched last week: MSNBC	2,397,099	10.0%
Watched last week: National Geographic Channel	2,832,254	11.8%
Watched last week: TBS	2,871,606	12.0%
Watched last week: TNT (Turner Network Television)	3,037,519	12.7%
Watched last week: USA Network	2,882,335	12.0%
Watched last week: The Weather Channel	3,421,858	14.3%

Table 8: 2020 Media Market Potential - TV Viewing (Source: GfK MRI)

Print media continues to decline in effectiveness to reach consumers, indicative of the continued swing towards electronic media. The following tables show the rather varied nature of newspaper/magazine readership by area consumers. Finding the "biggest bang for the buck" outlet for dairy products advertising could be challenging.

However, a more general advertising approach with online publishing firms representing a broad array of online magazines (i.e. various topics) may be a more effective means of reaching a larger local audience.

2020 Media Market Potential - Print Media		
Population Estimate for 36-County Region	**23,943,885**	**%**
Read any magazine (paper or electronic version) in last 6 months	17,323,400	72.4%
Read magazine (hard copy) in last 6 months: airline	1,378,886	5.8%
Read magazine (hard copy) in last 6 months: automotive	1,280,734	5.4%
Read magazine (hard copy) in last 6 months: bridal	481,894	2.0%
Read magazine (hard copy) in last 6 months: business or finance	2,719,355	11.4%
Read magazine (hard copy) in last 6 months: Epicurean	3,078,148	12.9%
Read magazine (hard copy) in last 6 months: fishing or hunting	1,259,809	5.3%
Read magazine (hard copy) in last 6 months: general editorial	7,309,866	30.5%
Read magazine (hard copy) in last 6 months: health	2,827,923	11.8%
Read magazine (hard copy) in last 6 months: home service	4,172,312	17.4%
Price is frequently more important than brand name	282,402	1.2%
entertainment	5,440,833	22.7%
Read magazine (hard copy) in last 6 months: parenthood	888,275	3.7%
Read magazine (hard copy) in last 6 months: science or technology	1,017,961	4.3%
Read magazine (hard copy) in last 6 months: sports	1,892,783	7.9%
Read magazine (hard copy) in last 6 months: travel	1,368,163	5.7%
Read magazine (hard copy) in last 6 months: women`s fashion	1,973,204	8.2%
Read any Spanish language magazine in last 6 months	2,861,136	12.0%
Read any daily newspaper (paper version)	3,187,748	13.3%
Read 1 daily newspaper (paper version)	2,424,260	10.1%
Read 2+ daily newspapers (paper version)	733,178	3.1%
Read any Sunday newspaper (paper version)	3,919,599	16.4%
Read 1 Sunday newspaper (paper version)	3,212,134	13.4%
Read 2+ Sunday newspapers (paper version)	730,837	3.1%
Read newspaper: main news or front page	5,200,677	21.7%
Read newspaper: international or national news	3,204,031	13.4%
Read newspaper: local news	4,649,037	19.4%

Table 9A: 2020 Media Market Potential - TV Viewing
(Source: GfK MRI)

2020 Media Market Potential - Print Media (Continued)		
Population Estimate for 36-County Region	**23,943,885**	**%**
Read newspaper: business or finance section	1,941,148	8.1%
Read newspaper: classified section	1,225,036	5.1%
Read newspaper: comics	1,986,763	8.3%
Read newspaper: editorial page	2,021,708	8.4%
Read newspaper: entertainment or lifestyle section	2,424,396	10.1%
Read newspaper: fashion section	1,210,310	5.1%
Read newspaper: food or cooking section	2,350,172	9.8%
Read newspaper: health section	2,170,066	9.1%
Read newspaper: home or furnishings or gardening section	1,452,264	6.1%
Read newspaper: movie listings or reviews	1,566,647	6.5%
Read newspaper: science & technology section	1,591,721	6.7%
Read newspaper: sports section	2,373,673	9.9%
Read newspaper: travel section	1,742,394	7.3%
Read newspaper: TV listings	1,245,245	5.2%
Read newspaper: weather	2,615,194	10.9%
Read newspaper: advertisements	1,459,336	6.1%
Read newspaper: circulars or inserts or fliers	2,200,018	9.2%
Read any digital newspaper in last 30 days	8,520,840	35.6%
Used news website or app in last 30 days: nytimes.com	3,150,439	13.2%
Used news website or app in last 30 days: usatoday.com	1,575,000	6.6%
Used news website or app in last 30 days: wsj.com	1,900,773	7.9%

Table 9B: 2020 Media Market Potential - TV Viewing
(Source: GfK MRI)

The convenience of streaming or "tuning in" to various music or news radio channels on various devices has increased the propensity of consumers to access listening-only entertainment and

information while on the go. Radio – traditional tower-based, satellite, or internet-based streaming – has grown in popularity. Satellite radio and internet-based streaming services have especially grown in popularity due to consumers' abilities to personally craft playlists to more closely match their preferences.

Talk radio has expanded its market presence. While morning and evening commute times in vehicles remain prominent radio advertising time slots, the consistent use of radio as background noise for everything from cubicles to retail stores presents opportunities to target market areas with radio advertising.

2020 Media Market Potential - Radio and Streaming Music		
Population Estimate for 36-County Region	**23,943,885**	**%**
Listen to radio on typical weekday at home	6,350,450	26.5%
Listen to radio on typical weekday in car	13,380,026	55.9%
Listen to radio on typical weekday at work	2,441,327	10.2%
Listen to radio on typical weekend at home	7,237,732	30.2%
Listen to radio on typical weekend in car	12,320,958	51.5%
Listen to radio on typical weekend at work	1,103,044	4.6%
Listen to radio: adult contemporary format	2,647,387	11.1%
Listen to radio: all news format	1,341,083	5.6%
Listen to radio: alternative format	1,378,779	5.8%
Listen to radio: contemporary hit radio format	3,421,638	14.3%
Price is frequently more important than brand name	972,697	4.1%
Listen to radio: classic rock format	1,112,253	4.7%
Listen to radio: classical format	550,863	2.3%
Listen to radio: country format	1,782,283	7.4%
Listen to radio: Hispanic format	1,552,293	6.5%
Listen to radio: news or talk format	1,857,913	7.8%
Listen to radio: oldies format	303,649	1.3%
Listen to radio: public format	998,476	4.2%
Listen to radio: religious format	1,153,630	4.8%
Listen to radio: rhythmic format	1,361,572	5.7%
Listen to radio: rock format	908,605	3.8%
Listen to radio: soft adult contemporary format	636,723	2.7%
Listen to radio: sports format	1,084,938	4.5%
Listen to radio: urban format	2,416,649	10.1%

Table 10A: 2020 Media Market Potential – Radio and Streaming Music (Source: GfK MRI)

2020 Media Market Potential - Radio and Streaming Music (Continued)		
Population Estimate for 36-County Region	**23,943,885**	**%**
Listen to radio 6:00 am - 10:00 am weekday	9,360,626	39.1%
Listen to radio 10:00 am - 3:00 pm weekday	7,180,368	30.0%
Listen to radio 3:00 pm - 7:00 pm weekday	8,442,980	35.3%
Listen to radio 7:00 pm - midnight weekday	3,570,335	14.9%
Listen to radio midnight - 6:00 am weekday	1,044,329	4.4%
Listen to radio 6:00 am - 10:00 am weekend	6,035,710	25.2%
Listen to radio 10:00 am - 3:00 pm weekend	8,272,637	34.6%
Listen to radio 3:00 pm - 7:00 pm weekend	6,863,394	28.7%
Listen to radio 7:00 pm - midnight weekend	3,655,816	15.3%
Listen to radio midnight - 6:00 am weekend	923,067	3.9%
Listened to any podcast in last 30 days	3,204,940	13.4%
Listened to online only radio or music service in last 30 days	10,253,655	42.8%
Listened to streaming AM/FM radio stations in last 30 days	2,580,667	10.8%
Listened to streaming audio in last 30 days: Amazon Prime	2,002,159	8.4%
Listened to streaming audio in last 30 days: Apple Music	2,327,804	9.7%
Listened to streaming audio in last 30 days: Google Play	1,264,553	5.3%
Listened to streaming audio in last 30 days: iHeartRadio	1,654,655	6.9%
Listened to streaming audio in last 30 days: iTunes	3,107,670	13.0%
Listened to streaming audio in last 30 days: Pandora	6,161,177	25.7%
Listened to streaming audio in last 30 days: SoundCloud	1,497,838	6.3%
Listened to streaming audio in last 30 days: Spotify	4,164,167	17.4%
Household subscribes to SiriusXM satellite radio	1,529,513	6.4%

Table 10A: 2020 Media Market Potential – Radio and Streaming Music (Source: GfK MRI)

The mix of dairy products, emphasis on cheese varietals (and quality-based marketing) and co-marketing opportunities will play a role in determining the optimal media marketing mix. For this particular market area (primary, secondary, and tertiary), emphasizing the health/fitness attributes of the products, the social responsibility of the firm, and the quality-based aspects of the products will offer the greatest potential for establishing brand recognition.

3.5 Market Budget Analysis

Local media rates and an optimal marketing activity mix will require further research. However, an analysis of income statements over four years for regional cheese manufacturers (9 in 2016, 11 in 2017-19) suggests that the marketing budgets for these products must be held to a small portion of gross sales. In fact, for the firms and years included in this analysis, average annual advertising/marketing expenses never exceeded 2.6% of gross annual sales.

INCOME STATEMENT	2016	2017	2018	2019
Industry Code	311513	311513	311513	311513
Sample Size (company count)	9	11	11	11
Net Sales	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**
Cost of Sales	**74.2 %**	**73.4 %**	**72.7 %**	**78.3 %**
Material Cost	51.0 %	51.6 %	48.7 %	51.9 %
Labor Cost	19.9 %	20.1 %	20.6 %	20.5 %
Overhead	3.3 %	1.7 %	3.4 %	5.9 %
Gross Profit	**25.8 %**	**26.6 %**	**27.3 %**	**21.7 %**
Operating Expenses	**19.8 %**	**21.3 %**	**22.6 %**	**15.3 %**
Salaries / Wages	4.2 %	3.2 %	3.3 %	3.2 %
Rent	0.8 %	0.8 %	0.8 %	0.6 %
Bad Debt	0.1 %	0.1 %	0.1 %	0.1 %
Advertising / Marketing	2.5 %	2.6 %	2.2 %	2.1 %
Other Operating Expenses	12.3 %	14.7 %	16.2 %	9.3 %
EBITDA	**6.0 %**	**5.3 %**	**4.7 %**	**6.4 %**
Depreciation & Amortization	2.1 %	2.3 %	2.1 %	2.0 %
EBIT	**3.9 %**	**3.0 %**	**2.6 %**	**4.4 %**
Interest Expense	1.4 %	1.4 %	1.4 %	1.6 %
Other Expense	-0.7 %	-0.9 %	-1.0 %	-0.7 %
EBT	**3.3 %**	**2.5 %**	**2.2 %**	**3.6 %**
Income Taxes	1.5 %	0.9 %	0.8 %	1.7 %
Net Income	**1.7 %**	**1.6 %**	**1.4 %**	**1.9 %**

Table 11: Average Income Statements for Selected Northeastern US Cheese Manufacturers As a Percent of Sales, 2016-19 (Source: IndustriusCFO, 2021)

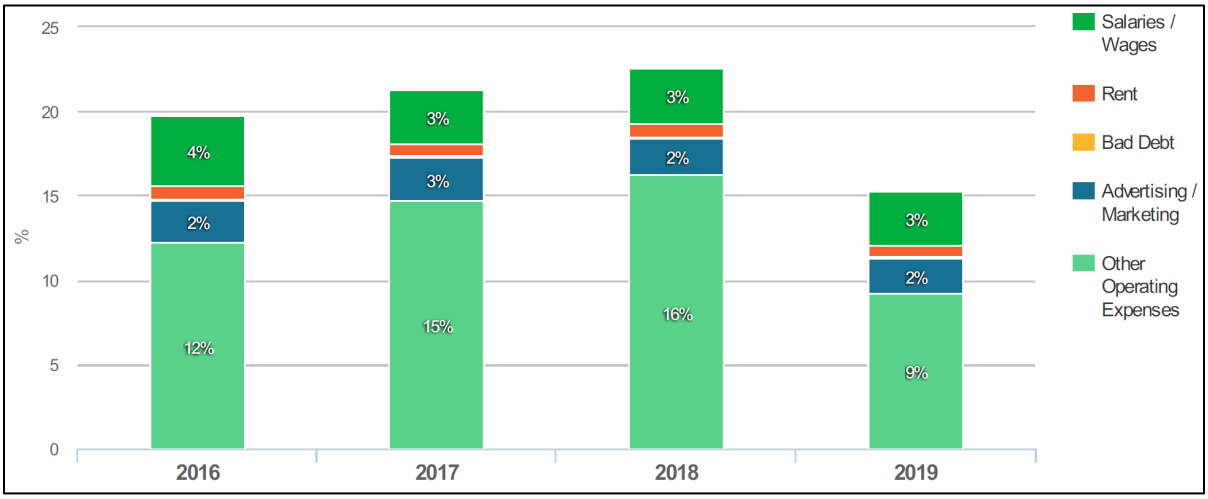


Figure 13: NE US Cheese Manufacturers' Operating Costs, Percentages of Operating Costs and Overall Operating Costs as a Percent of Sales, 2016-19 (Source: IndistriusCFO, 2021).

For purposes of comparison, the following table illustrates the sales class of these northeastern US cheese manufacturers and actual dollars spent on advertising/marketing. Given the price competition in the market, the high cost of processing inputs, overall COGS as a share of sales, and the costs and risks associated with perishable refrigerated products, marketing is crucial to move the products and generate revenue for the firm. However, advertising and promotional expenditures must be targeted towards programs that provide the greatest returns in terms of sales dollars per marketing dollar.

INCOME STATEMENT	2016	2017	2018	2019
Industry Code	311513	311513	311513	311513
Sample Size (company count)	9	11	11	11
Net Sales	**$30,288,300**	**$18,609,795**	**$18,699,554**	**$24,858,113**
Cost of Sales	**$22,473,365**	**$13,658,388**	**$13,593,789**	**$19,459,854**
Material Cost	$15,451,829	$9,600,178	$9,098,570	$12,899,750
Labor Cost	$6,020,759	$3,745,659	$3,855,509	$5,092,880
Overhead	$1,000,777	$312,552	$639,710	$1,467,223
Gross Profit	**$7,814,935**	**$4,951,406**	**$5,105,766**	**$5,398,260**
Operating Expenses	**$5,995,862**	**$3,967,974**	**$4,220,425**	**$3,806,389**
Salaries / Wages	$1,272,426	$594,882	$614,439	$807,691
Rent	$233,103	$144,421	$142,024	$158,717
Bad Debt	$24,316	$15,216	$15,469	$20,265
Advertising / Marketing	$753,036	$479,813	$411,854	$517,052
Other Operating Expenses	$3,712,981	$2,733,643	$3,036,638	$2,302,664
EBITDA	**$1,819,072**	**$983,432**	**$885,341**	**$1,591,871**
Depreciation & Amortization	$637,768	$421,688	$392,380	$491,300
EBIT	**$1,181,304**	**$561,744**	**$492,961**	**$1,100,570**
Interest Expense	$416,975	$268,026	$269,760	$399,699
Other Expense	($225,280)	($174,132)	($195,604)	($183,143)
EBT	**$989,609**	**$467,850**	**$418,805**	**$884,015**
Income Taxes	$462,880	$168,211	$157,211	$417,865
Net Income	**$526,730**	**$299,639**	**$261,594**	**$466,150**

Table 12: Average Income Statements for Selected Northeastern US Cheese Manufacturers in Dollar Terms, 2016-19 (Source: IndustriusCFO, 2021)

3.6 Potential Opportunities with Existing Regional Wholesalers and Distributors

A new regional dairy products manufacturer may benefit from examining synergistic opportunities with existing members of the marketing/distribution chain in the region. As a starting point for evaluations and discussions, see **Appendix A - List of Northeastern US Dairy Related Wholesalers**.

4.0 Management and Operational Plan

Wayne County is committed to ensuring the availability of a suitable site for lease to the operator of a specialty cheese plant, along with an incentive package in the way of marketing and equipment financing assistance. The operator will be selected through a Request for Proposals process and the selected operator will be responsible for implementing this business plan. The successful proposer must demonstrate successful experience in operating dairy or other food processing facilities, possess financial resources to implement this plan and make a long-term commitment to the project, as well as address the following:

4.1 Needs

Below are specific needs the selected operator for which the selected operator will need to demonstrate competence:

- **Waste stream management**

  This is the single most important issue with respect to any cheese making operation. The leftover whey, while a usable and even marketable product in some instances, is typically produced in such volume (as much as 9 pounds of whey is produced for each pound of cheese) as to require its disposal as wastewater. Because whey is characterized by high amounts of biochemical oxygen demand (BOD), many public wastewater are not able to handle it without significant pre-treatment.

  According to its engineering consultant, the Waymart wastewater treatment system on the Western side of Wayne County, unlike other systems in the county, has capacity to accept high BOD wastewater and, very likely, without significant pre-treatment. The Waymart Area Authority facility pictured below serves Waymart Borough and parts of Canaan Township. A site on the system that would be available has been identified, along with alternative sites, and is discussed in Section 5.0.

The availability of this wastewater treatment offers a substantial cost savings (and major incentive) for the operator at the outset. It will, too, allow the operator to pursue additional options for use of the whey as a byproduct. Opportunities that can be explored include:

a) Using whey as a base for other traditional dairy products such as ricotta, cottage or curd cheese.

b) Sending it to local pig farmers. Pigs love it and it is an excellent source of nutrition. Chobani delivers whey from its Idaho and New York plants to local farmers.

c) Applying the whey to field crops, subject to weather and any environmental permitting that may be necessary.

d) Using it to produce dairy-type whey beverages (unfermented and fermented) including sports drinks, fruit-flavored beverages and alcoholic beverages (some have produced vodka and beer).

e) Using an anaerobic digester to convert the whey to methane. This technology is expensive and not economical without an investment subsidy.

Also, in the event some level of pre-treatment should be required, there are some relatively new pretreatment technologies available. One of the best is offered by New Logic Research, Inc. (https://www.vsep.com/). They use a vibrating membrane filtration system that reduces fouling effects. They also show good economics based on savings for hauling waste (https://www.vsep.com/industries/dairy-processing/).

- **Product traceability**

Traceability is key to complying with food safety requirements as well as protecting the quality of the product and reputation of the brand in cheese-making. Moreover, this is an element of the operation that will grow exponentially in importance as the operation adds suppliers of milk and customers.

There are two important aspects to traceability. The first involves Critical Tracking Events (CTE), events that identify those core business processes where traceability data capture is vital. These include on-farm production of the milk, transport to the cheese plant, milk silo storage, vat processing, packaging and delivery, for example.

The second aspect has to do with Key Data Elements (KDE), the data specifically captured during a CTE to support a successful traceability process. This includes such information as names, dates and times, amounts, sources of ingredients, delivery records and customer data. Vat data, production dates, sell by dates and lot details are

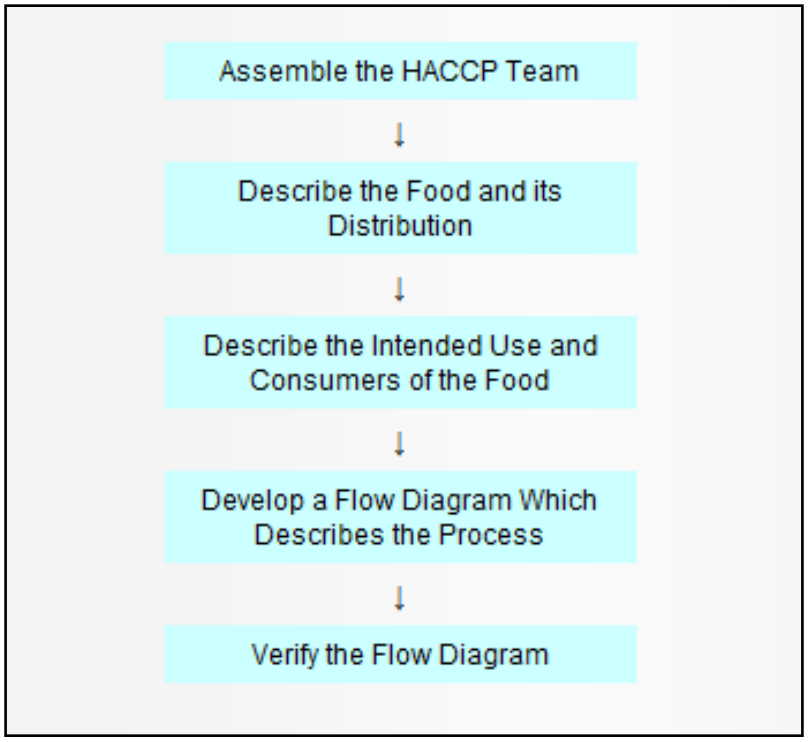
all important. This data needs to be linked to unique serialized numbers generated on bar codes for each product.
These are concepts similar to those having to do with HACCP (Hazard Analysis and Critical Control Points) regulations. While, initially, the data can be recorded using a spreadsheet approach, the operator will need to develop a more sophisticated system capable of being used by multiple employees. There are multiple sources of software available for this purpose.

- **HACCP planning**

Hazard Analysis and Critical Control Point (HAACP) regulation flows from Food and Drug Administration policy and recommendations. It is a systematic approach to the identification, evaluation, and control of food safety hazards based on the following seven principles:

Principle 1: Conduct a hazard analysis.
Principle 2: Determine the critical control points (CCPs).
Principle 3: Establish critical limits.
Principle 4: Establish monitoring procedures.
Principle 5: Establish corrective actions.
Principle 6: Establish verification procedures.
Principle 7: Establish record-keeping and documentation procedures.

The operator will follow the standard approach to developing a HAACP Plan:



The operator will be obligated to follow these steps and develop a HACCP plan meeting the guidelines and along the line of the one suggested here. The following is a modified table from the report (further modification for selected cheeses will be necessary):

HACCP CONTROL CHART								
Critical Control Point	**Processing Step**	**Potential Hazards**	**Preventative Measures**	**Critical Limits**	**Monitoring Procedure**	**Monitoring Frequency**	**Corrective Action**	**Responsibility**
#1	Raw & packaging material	Microbiological, chemical & physical (MCP) contamination	(a) Qualified starter supply (b) Qualified cryvoac supply	No unqualified material to be used	Apply supply quality assurance	Each supply	(a) Change supplier (b) Operator training	Cheesemaker
#2	Pasteurizing	Survival of pathogens such as E.coli, Staphylococcus reus, Bacillus	Pasteurizer checks: (a) Heat plate (b)Temperature controller (c) Flow diversion	Temperature set 162°F	(a) Check thermometer and time (b) Check that equipment is properly running (c) Keep records	(a) Each batch (b) Routinely (c) Each batch	(a) Adjust temperature (b) Reset equipment (c) Contact engineer/repair	Floor Supervisor
#3	Filling	Microbiological contamination	Proper temperature setting	Temperature set 90°F	(a) Check thermometer (b) Keep records	(a) Each batch (b) Each batch	Adjust the heater to change temperature	Cheesemaker
#4	Startup	(a) Microbiolog. contamination (b) Physical contamination	(a) Proper additional rate (b) Agitate properly	(a) Starter: Two cans (b) Rennet (if any): 40 mL per 1,000 lbs. of milk with pH at 6.6 before adding (c) Agitator set at medium	(a) Check the additional rate of starter and Rennet & pH (b) Check agitator rate (c) Keep records	(a) Each batch (b) Each batch (c) Each batch	(a) Applying more testing on pH (b) Use active starter culture (c) Adjust agitate rate and provide operator training	Cheesemaker
#5	Coagulation	(a) Microbiolog. contamination (b) Physical contamination	(a) Proper time setting and recording (b) Take the stirring tools out of the tank	(a) Time is set at 30 minutes (b) Tools prevent coagulation	(a) Check the time and the stirring tools (b) Keep records	(a) Each batch (b) Each batch	(a) Reject product (b) Provide operator training	Floor Supervisor
#6	Cutting, scalding & stirring	Microbiological contamination	Proper time & temperature setting	Temperature is set at 100°F, scalding for 30 minutes and stirring for 20 minutes	(a) Check the temperature and the time (b) Keep records	(a) Each batch (b) Each batch	(a) Adjust heater to change temperature (b) Provide operator training	Floor Supervisor
#7	Milling	Microbiological contamination	(a) More cheddaring time to control the pH (b) Use of an active starter culture at the	Obtain pH of 5.2 to 5.4	(a) Consistently monitor pH during cheddaring (b) Supervisor management and record keeping	(a) Each batch (b) Each batch	(a) Reject product (b) More testing of pH (c) Provide operator training	Cheesemaker
#8	Salting	Microbiological contamination	(a) Correct level of salt (b) Correct mixing during salting	Salt % of 1.5 to 2.0%	Records and testing	Each batch	Incorrectly salted curd must not be allowed to progress	Cheesemaker

- **Custody control protocols**

  The HACCP plan will also address custody control protocols dealing with both the milk supply and the distribution of final product. Traceability will, of necessity, be an integral part of custody control.

- **Third–party certifiers**

  Third-party certification is not anticipated or recommended unless the selected operator later opts to produce organic or other specialty products in addition to non-organic products. Labeling as natural is subject to no particular standards and can, effectively, be self-defined.

- **Outsourced production**

  So as to enable the facility to distribute multiple products without frequently shutting down lines of production for brief periods and introducing inefficiencies, the operator will consider cooperative agreements with other cheese producers in reasonably close proximity where both facilities produce for the other's label. This will enable both facilities to operate much more efficiently and with greater selections of products.

4.2 Additional Management and Operational Recommendations

The operator will, in addition to the above, be responsible for the following:

- Securing a milk supply outside of the pool. This will be accomplished by paying a premium over pool pricing. A premium of $2.00 subject or 10% above the pool price, whichever is greater is proposed. A backup or alternative supply will also be important and, therefore, the operator will need to secure an agreement from DFA or some other source.

- Arranging for milk transportation, the cost of which should be absorbed by the operator for any dairy farm within 40 miles as an incentive for local farms to sell milk to the facility.

- Quality assurance in strict observance of the HACCP plan as well as routine testing of products against industry standards and those of both wholesalers and retailers. The operator will develop quality assurance specifications compatible with proposed branding and to include information gathering on protein amounts and other aspects of cheese composition as well as sensory characteristics related to coloring and proper packaging.

- Conducting, not only routine facility inspections as part of the HACCP plan, but also product inspections. This will be the responsibility of the cheesemaker. Milk suppliers shall also be regularly inspected using a contracted service unless the milk is purchased

from pool member companies already doing inspections. The operator will develop farm standards for this purpose.

- Assessing risk and identifying mitigation and insurance needs. The operator's HACCP plan will address the major risks typically associated with a cheese plant. These can include the following with a cheese plant (depending on product lines in some cases):

Biological Contamination from Pathogen Sources:

- Raw milk
- Contaminated water
- Personnel
- Floors and drains
- Cooling systems
- Air handling systems
- Biofilms on equipment

Chemical Hazards:

- Allergens
- Drug residues
- Vitamins
- Mycotoxins
- Pesticides
- Cleaning chemicals and sanitizers

Physical Hazards:

- Glass from bottles, jars, light fixtures, gauge covers, etc.
- Metal from shavings, equipment parts, cheese molds, cheese harps, screens, etc.
- Plastic from packaging material, pallets, equipment covers, cheese molds, etc.
- Wood from pallets, boxes, building structure, aging boards, etc.
- Small stones picked from forklifts, etc.

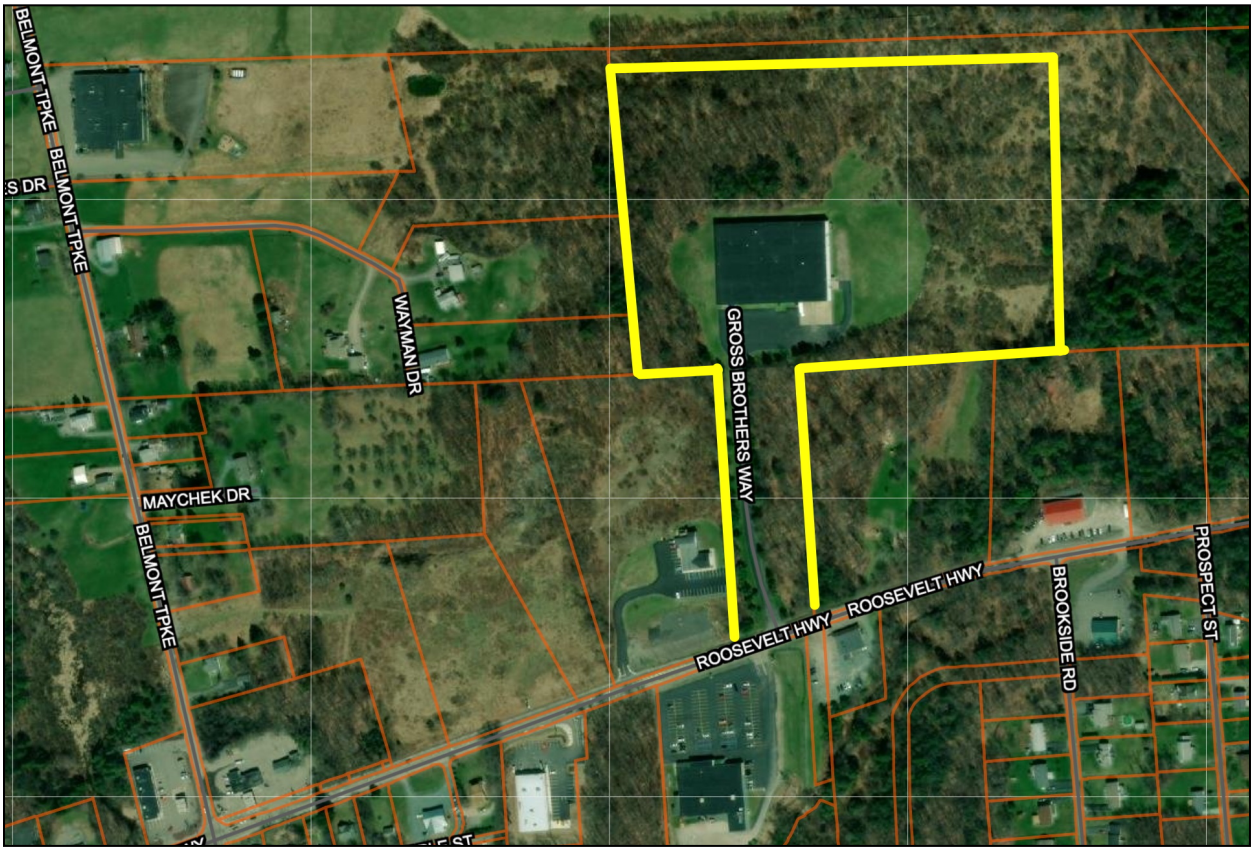
Penn State University has developed several resource materials for this purpose, which may be accessed at https://extension.psu.edu/food-safety-and-quality/dairy-food-processing. The operator will utilize these materials and Good Manufacturing Standards applicable to dairy processing to mitigate risk. Experience indicates insurance is readily available with good management and it is anticipated the operator will have little difficulty in obtaining it from companies that specialize in food manufacturing insurance (e.g., Travelers, Nationwide, ECBM).

5.0 Site Description

As noted earlier, the Waymart area of Wayne County is especially advantageous for location of a cheese plant because it possesses wastewater treatment capacity required from the Waymart Area Authority and can accommodate the project relatively efficiently due to the lessened need for pre-treatment of the whey. Natural gas (UGI) and and a central water supply (Waymart Water Company) are also available in the Borough and adjoining portions of Canaan Township.

Finally, there are multiple properties available that could either be renovated for use as a cheese production facility or that would accommodate a newly constructed facility, including a relatively large tract with potential for both that is also be considered as a potential site for a meat processing and/or agricultural innovation center. Most importantly, the landowner possesses other potentially suitable properties in the vicinity and is a contractor willing to build to suit and lease the premises to a designated operator.

The site is owned by Evergreen Properties Group LLC and is 21.99 acres in size plus additional acreage is potentially available from related companies with adjoining parcels. An excerpt from Wayne County tax assessment mapping for the immediate area follows, the site including an existing 56,562 square feet, one-story, 25 feet high, concrete brick building previously used as a printing plant and now in use as a warehouse. There is also an interior second story of 3,250 square feet.



The Evergreen parcel is large enough to accommodate a new building or, more likely, a building expansion as an alternative to simply renovating a portion of the existing structure, which is substantially larger than needed and would require modifications to install floor drains in the existing concrete floor.

Because this business plan is formulated with a view toward offering incentives to and soliciting proposals from private operators of the prospective cheese plant, the precise facility specifications will largely be the choice of the selected proposer. The previously feasibility study on which this business plan is based include information solicited from Statco-DSI ,a designer and supplier of dairy and other food processing systems, which was tasked with developing a concept for a soft-cheese manufacturing facility capable of processing the milk from a minimum of eight 75-cow dairies (roughly 40,000 pounds per day).

Stato-DSI suggested the raw milk received from tankers be pumped into two 6,000 gallon raw milk storage tanks. From the raw milk silos, the milk would be pumped to the HTST balance tank. The HTST system would be skid mounted and include a CIP pump to clean the system and its discharge lines. There would be three to six 200 gallon cheese kettles that would be piped from the HTST. A CIP return line would be piped back to the HTST system. A steam line from a customer supplied boiler would also be run to the HTST and over the three vats. These lines could be connected to steam wands.

Statco-DSI also developed a detailed list of the equipment that would be required, plus a plant layout, both of which are attached as Appendix A. The cost of equipment detailed is estimated at $795,000. Some of this cost is potentially coverable through grants but the Statco-DSI estimate does not include costs associated with freight, taxes (if any), bonds, an air compressor, chemical pumps, utility piping, a 25 hp boiler, building improvements (including 3,000 sf or so of cold storage) or site improvements. It is assumed the building would be roughly 12,000 square feet in size and site improvements would include grading, stormwater improvements, an on-lot sewage system and on-site water well.

Using *BuildingJournal.com* to estimate building and site costs for a 12,000 square foot building yields a total cost of $1,265,000. There are also some special additional costs related to cold storage, the boiler and other items particular to the processing operation. Those are broadly estimated at $400,000 to $450,000 (including $100 per square foot extra for cold storage areas), bringing the total cost for the entire facility to roughly $2.5 million. Based on feasibility study financial analyses, it is assumed an annual debt service of roughly $100,000 per year for capital expense related to building and site improvements, which could leased for a comparable figure (about $8.25 per square foot).

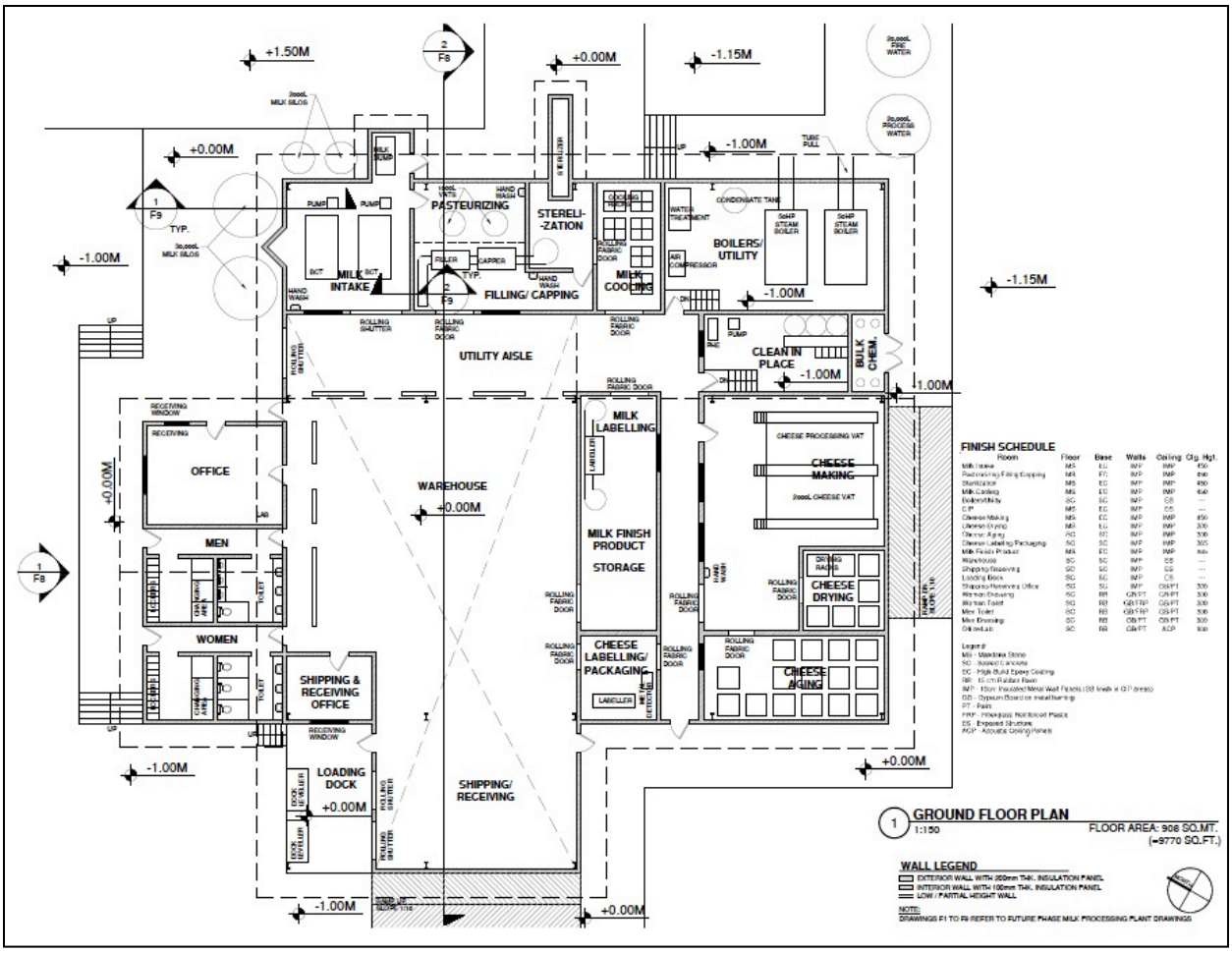
These numbers are based on the following general site requirements for a small cheese plant.

- A 12,000 square feet of building with a silo and tank unloading area outside and potential to expand in the future.

- A floor sloping at ¼" per foot.

- Floor drains located such that every area of the floor is within 10 feet of a floor drain.
- A loading dock such as you now have at the existing building.
- A glassed in observation area of perhaps 400 square feet in size for tourism and training purposes, plus some minimal office space and another 400 square feet or so for a retail outlet.

Agricultural Engineer Timothy Bowser was also consulted as to potential plant layouts that might be utilized. The following is an example of a slightly smaller facility designed to process both milk and cheese, for example.



Depending on the types of cheese involved, the plant design could go in several directions and there will, obviously, be some unique requirements for Hispanic cheeses. The selected operator will be expected to develop a suitable design that satisfies requirements for a variety of cheeses and that is sized to grow to the volume of product anticipated herein. A phased development design that can grow with the market will be essential and the plant should not be over-designed at the outset but be sized to the practicalities of costs and initial market limitations.

6.0 Legal Structure and Organizational Plan

As noted earlier, it is anticipated Wayne County will solicit proposals from prospective private cheese plant operators who will lease a facility built to suit by a private developer on a private land but packaged with certain public incentives. Those incentives will include but not necessarily limited to the following:

* The County has identified the aforementioned site in Waymart, Pennsylvania and has secured agreement from the owner/developer to build to suit and lease the facility at reasonable market rate.

- The County will seek assistance for equipment purchases. The County intends to apply for $250,000 of financial aid from the Appalachian Regional Commission to purchase certain selected equipment for the plant. Such equipment will remain in County ownership, but be made available at no cost to the operator.

- The County will, through the auspices of the Wayne Industrial Authority and/o the Wayne Economic Development Corporation, assist the selected with securing other financing as may be necessary or available through State and Federal programs.

- The County, through its Workforce Development Program, will provide workforce training for the operator's employees and assist in the recruitment of this workforce, providing access to temporary financial assistance for that purpose.

- The County will provide product branding and marketing support to help position the operators products in the marketplace.

- The County will assist the selected operator in securing zoning approvals.

The Request for Proposals will be developed in in accord with the following template, which is designed for simplicity so as to attract potential proposals from a wide variety of proposers and to accommodate innovative proposals and projects, with the understanding a detailed contract would then negotiated with the selected operator:

REQUEST FOR PROPOSALS

BACKGROUND

Wayne County, Pennsylvania, with the assistance of USDA Rural Development, has financed the preparation of a *Feasibility Study* and *Business Plan* for development of a dairy processing facility in the county that would utilize milk produced in the region. The *Feasibility Study* available at shepstone.net/WayneDairy found a Wayne County cheese plant is financially feasible and, while there are certain risks, they are mitigated by the potential availability of county land and access to grants and low-cost capital. The Business Plan available at the same website lays out how this can be accomplished.

The mission is to support the retention and possible expansion of the Wayne County dairy industry as a fundamental aspect of the county's economy and rural character. More specifically, these are the goals:

- Growing milk demand within Wayne County,
- Enhance milk pricing and farm income for Wayne County farmers and
- Supporting agri-tourism and retention of rural character as economic assets.

The *Pennsylvania Dairy Study* prepared in 2017-2018 identified dairy processing opportunities as follows:

> *"Substantial incentives appear to exist for additional processing capacity in Pennsylvania—especially for other" cheese (non-American types, including Italian and specialty cheese) plants—based on their potential to reduce overall supply chain costs given 2016 milk production and dairy product demands."*

Given that hauling costs are likely to be most impactful with respect to bulk quantities of raw product, a processing plant located between New York City and large milk producing areas can attract dairy producers, while positioning the processor to also get the finished product to market more economically. Wayne County is such a location. The data shows the primary market for products that might be produced by a Wayne County dairy processor consists of the New York City metro area and specialty cheese production offers a distinct niche for any dairy processor in close proximity. It attracts large numbers of Hispanic immigrants and is also home to equally large numbers of higher income households apt to find ethnic and other specialty cheeses appealing.

The data suggests the best speciality cheese opportunities for a dairy processor to exploit are among Italian cheeses, Feta cheeses and Hispanic cheeses. Hispanic cheeses, in fact, have been showing steady growth for some time. The feasibility study recommended a soft-cheese Hispanic soft cheese manufacturing facility capable of processing the milk from a minimum of eight 75-cow dairies (roughly 40,000 pounds per day). Initially, the facility would likely start at a lower volume, but grow with market development. The system will be designed to pasteurize 8-10 gallons per minute initially into six 200 gallon cheese kettles.

A potential site is located in Waymart, which is especially advantageous for siting of a cheese plant because it possesses wastewater treatment capacity required from the Waymart Area Authority and can accommodate the project relatively efficiently due to the lessened need for pre-treatment of the whey. Natural gas (UGI) and and a central water supply (Waymart Water Company) are also available in the Borough and adjoining portions of Canaan Township.

The site is owned by Evergreen Properties Group LLC and is 21.99 acres in size plus additional acreage is potentially available from related companies with adjoining parcels. An excerpt from Wayne County tax assessment mapping for the immediate area follows, the site including an existing 56,562 square feet, one-story, 25 feet high, concrete brick building previously used as a printing plant and now in use as a warehouse. There is also an interior second story of 3,250 square feet.

The Evergreen parcel is large enough to accommodate a new building or, more likely, a building expansion as an alternative to simply renovating a portion of the existing structure, which is substantially larger than needed and would require modifications to install floor drains in the existing concrete floor. It is expected the building will be roughly 12,000 square in size and site improvements will include grading, stormwater improvements, a pre-treatment sewage system (and/or improvements to the Waymart Area Authority sewage collection and treatment system) and connection to the local water company system.

This dairy processing business will be a public/private partnership. The county will assist the development of the facility and its operation with incentives detailed below.

INCENTIVES

Wayne County will endeavor to offer the following incentives to the selected proposer:

* The County has identified a site in Waymart, Pennsylvania and has secured agreement from the owner/developer to build to suit and lease the facility at reasonable market rate.

- The County will seek assistance for equipment purchases. The County intends to apply for $250,000 of financial aid from the Appalachian Regional Commission to purchase certain selected equipment for the plant. Such equipment will remain in County ownership, but be made available at no cost to the operator.

- The County will, through the auspices of the Wayne Industrial Authority and/o the Wayne Economic Development Corporation, assist the selected with securing other financing as may be necessary or available through State and Federal programs.

- The County, through its Workforce Development Program, will provide workforce training for the operator's employees and assist in the recruitment of this workforce, providing access to temporary financial assistance for that purpose.

- The County will provide product branding and marketing support to help position the operators products in the marketplace.

- The County will, if needed, assist the selected operator in securing zoning approvals.

The County will use its best efforts to provide each of these incentives but delivery will necessarily be dependent on the availability of grant funds and other conditions that may be out of its control.

PROPOSAL CONTENTS

Proposals may take such form as will adequately describe how the proposer will approach the project but include the following:

- A thorough explanation of the experience and qualifications of the proposer with respect to dairy or other food processing and, if possible, cheese production.
- Three years of financial statements of the proposer demonstrating the capacity to undertake this project.
- A description of the proposed operation that will be undertaken by the proposer if selected along with plans for ramp-up and/or expansion with growth.
- A description of the marketing strategy that will be utilized by the proposer.
- A description of the incentives to offered to secure the necessary milk supply.
- A sketch plan layout of the facility the proposer will need to produce cheese and/or other dairy products.
- Resumes of key individuals who will be involved in management of the facility along with recommendations as may be appropriate.
- A proposed timeline for establishing the operation.

The County is also interested in additional ideas with respect to developing a successful dairy processing facility. Accordingly, proposals may take alternative forms in terms of both substance and presentation.

PROPOSAL COORDINATOR

For additional information concerning this Request for Proposals, interested parties may contact [INSERT COUNTY CONTACT INFORMATION]:

PROPOSAL DUE DATE

All proposals shall be submitted electronically no later than 4:00 PM on [INSERT DATE].

7.0 Funding Sources

The following are some key potential funding sources for the proposed cheese processing facility that could be utilized for development purposes in addition to the aforementioned Appalachian Regional Commission's Area Development Program that is proposed to assist with equipment purchasing.

- **Business & Industry Loan Guarantees**

  This is a USDA Rural Development program that increases rural access to business capital through loan guarantees. Commercial lenders are enabled, via the guarantees, to provide affordable financing for rural businesses. B&I loans approved in Fiscal Year 2021 will receive an 80% guarantee. There is an initial guarantee fee, currently 3% of the guaranteed amount. There is also a guarantee retention fee, currently 0.5% of the outstanding principal balance, paid annually. Reasonable and customary fees for loan origination are negotiated between the borrower and lender. Applications are accepted from lenders through USDA local offices year-round.

- **Rural Business Development Grants**

  This program is designed to provide, through public entities such as the County, technical assistance and training for small rural businesses. Small means that the business has fewer than 50 new workers and less than $1 million in gross revenue. Rural Business Development Grant money must be used for projects that benefit rural areas or towns outside the urbanized periphery of any city with a population of 50,000 or more. There is no maximum grant amount; however, smaller requests are given higher priority. There is no cost sharing requirement. Uses may include training and technical assistance, business counseling and training, construction, conversion, renovation of buildings, machinery, equipment and pollution control and abatement, among other activities.

- **Small Business Administration Section 504 Loans**

  This program provides long-term, fixed rate financing of up to $5 million for major fixed assets that promote business growth and job creation. These loans available through Certified Development Companies such as the Northeastern Economic Development Company of PA-CDC. To be eligible for a 504 Loan, the business must operate as a for-profit company, have a tangible net worth of less than $15 million, have an average net income of less than $5 million after federal income taxes for the two years preceding and meet other general eligibility standards including having qualified management expertise, a feasible business plan, good character and the ability to repay the loan. A 504 loan can be used for existing buildings or land, new facilities, long-term machinery and equipment, or the improvement or modernization of land, streets, utilities, parking lots and landscaping.

- **Pennsylvania Industrial Development Authority**

  PIDA provides low-interest loans and lines of credit for eligible businesses that commit to creating and retaining full-time jobs and for the development of industrial parks and multi-tenant facilities. Loan applications are packaged and underwritten by a network of certified economic development organizations such as the Wayne Economic Development Corporation (WEDCO) that partner with PIDA to administer the program. Manufacturing facilities are eligible and can use the money for construction and renovation costs, machinery and equipment purchases and working capital. The PIDA program finances a portion of total eligible project costs. The maximum participation amount is determined by a variety of factors such as the proposed use of the PIDA funds, the amount of matching financing and the number of full-time jobs to be retained or created. Terms are typically up to 15 years for land and building acquisitions and construction / renovation projects and up to 10 years for machinery and equipment purchases. Working capital and accounts receivable lines of credit have a term of 1 year and can be renewed. Interest rates for the program are based on current market conditions.

- **Pennsylvania Dairy Investment Program**

  The Pennsylvania Dairy Investment Program was established under Act 38 of 2019 for research and development, organic transition, value-added processing, and marketing grants in support of Pennsylvania's Dairy Industry. The program is administered jointly by the Department of Community and Economic Development (DCED) and the PA Department of Agriculture (PDA), under the direction of the Commonwealth Financing Authority (CFA). It funds activities such as research and development, value-added processing, and marketing in support of Pennsylvania's Dairy Industry. Businesses, not-for-profits and schools are eligible. Grants are available under the program and require a 15% cash match. The maximum grant award is limited for each of the four project categories. Details can be found in the program guidelines.

Other programs are available to assist potential operators through the Pennsylvania DCED and Northeastern Pennsylvania Alliance. These include workforce development assistance. There are also initiatives being taken by many banks to invest in community projects and lending to an operator who increased the value of milk produced in the region would arguably contribute to to meeting Community Reinvestment Act obligations.

An operator, of course, will need to demonstrate financial capacity and ability to match resources in most instances, but these programs offer the potential to reduce capital and operating costs, enhance marketing and grow much more quickly to achieve Wayne County's objectives.

8.0 Financial Plan

Pro forma financial statements and cash flow projections follow to illustrate the financial plan for the proposed operation. A 5-year profit and loss statement, combined with a cash flow analysis has been developed based on further evaluation of the data assembled during the preparation of the previously conducted feasibility study. The updated analysis, based on revised assumptions, exhibits profitability and positive net cash flow in Year No. 3. The assumptions used have included the following:

A. An investment of $1.5 million in fixed equipment assets is projected, of which $250,000 is proposed to be obtained through an Appalachian Regional Commission grant to the County, which would lease it at a token fee. After an investment of $125,000 (10%) of the remainder, the remaining $1,125,000 would be financed at 5% for a term of 10 years. Annual payments of principal and interest would be $143,188.

B. The building would be built to suit and leased to the proposed operator at $8.25 per square foot or $99,000 per year.

C. An additional investment in equipment of $25,000 is projected starting in Year No. 2 and continuing thereafter. Equipment would be a combination on new and used. There are frequent auctions of used dairy equipment. This equipment has many years of useful life remaining and, therefore, initial equipment costs could be considerably lower and annual replacement costs somewhat higher.

D. The first-year sales are estimated at 100,000 pounds. This requires the purchase of 1,000,000 pounds of raw milk from dairy farmers. Sales increases of 50% are projected for the next two years with 25% increase each year thereafter. This sales increase requires corresponding increases in raw milk purchases.

E. Sales prices of $7.50 per pound at wholesale and $10 per pound for retail sales are projected. The first-year sales are 15% retail and 85% wholesale. The proportion of retail to wholesale changes each year so that in Year No. 5 the sales are 10% retail and 90% wholesale.

F. The average sales price is $7.88 per pound in year one, decreasing each year to $7.62 per pound in Year No. 5 as a consequence of increasing wholesale activity at lower prices (trading price for volume).

G. A raw milk price of $19 per Cwt. for milk used in cheese-making has been assumed as a base to which a premium would apply. The $21 milk price allows for a premium payment to the dairy farmers of at least $2 per Cwt.

H. Packaging costs of $0.03 per pound and miscellaneous ingredients costs of $0.03 per pound are projected. Miscellaneous ingredients include salt, cultures, color, and rennet.

I. Variable costs change directly with the number of pounds of cheese produced and sold. This 5-year projection uses the following variable costs per pound of cheese:

Labor & Benefits	$1.80
Repairs & Maintenance	$0.12
Supplies	$0.16
Outside Services	$0.20
Contract Hauling	$0.20
Utilities	$0.18

J. Advertising and marketing costs are calculated as a percentage of net sales. This spending is 7% of net sales in Year No. 1, declining by 1% each year to 3% in Year No. 5.

K. Labor and benefits costs for management are estimated $45,000 in Year No. 1 and projected to increase by 10% each year as the enterprise grows and at a faster rate.

L. Depreciation is calculated using a 10-year life for the equipment. Equipment rental and real estate taxes are fixed during all 10 years.

M. Insurance, professional services, and miscellaneous expenses increase 10% each year.

N. The net operating income is calculated as net sales less cost of goods sold less variable and fixed expenses. EBITDA is Earnings Before Interest Taxes Depreciation and Amortization. It represents the amount of cash available to pay debt service, make further investments in the business and pay returns to investors.

The 5-year financial (next page) shows a Wayne County cheese plant is financially feasible with a $500,000 investment of equity. This provides for working capital to cover negative cash flow of of $165,000 during the first two years and the downpayment on equipment costs. Grants could offset some equipment and other costs. A grant of $250,000 fo equipment purchase assistance is assumed at the outset.

Wayne County Cheese Plant
Projected Cash Flow and Proforma Financial Statements

	2022	2023	2024	2025	2026
SALES					
Lbs Cheese Sold	100,000	150,000	225,000	281,250	351,563
Average Price/Lb	$7.88	$7.83	$7.80	$7.78	$7.75
NET SALES	**$787,500**	**$1,173,750**	**$1,755,000**	**$2,186,720**	**$2,724,609**
COSTS OF GOODS SOLD					
Lbs Raw Milk Purchased	1,000,000	1,500,000	2,250,000	2,812,500	3,515,625
Average Price per Cwt.	**$21.00**	**$21.25**	**$21.50**	**$21.75**	**$22.00**
Milk Cost	$210,000	$318,750	$483,750	$611,719	$773,438
Packaging/Ingredients	$6,000	$9,000	$13,500	$16,875	$21,094
TOTAL	**$216,000**	**$327,750**	**$497,250**	**$628,594**	**$794,531**
PER LB	**$2.16**	**$2.19**	**$2.21**	**$2.24**	**$2.26**
GROSS MARGIN	**$571,500**	**$855,000**	**$1,271,250**	**$1,575,001**	**$1,951,171**
GROSS MARGIN %	**72.6%**	**72.8%**	**72.4%**	**72.0%**	**71.6%**
OPERATING EXPENSES					
VARIABLE COSTS					
Labor & Benefits	$180,000	$270,000	$405,000	$506,250	$632,813
Repairs & Maintenance	$12,000	$18,000	$27,000	$33,750	$42,188
Supplies/Sanitation	$16,000	$24,000	$36,000	$45,000	$56,250
Outside Services	$20,000	$30,000	$45,000	$56,250	$70,313
Contract Hauling	$20,000	$30,000	$45,000	$56,250	$70,313
Advertising & Marketing	$55,125	$70,425	$87,750	$87,469	$81,738
Utilities	$18,000	$27,000	$40,500	$50,625	$63,281
Misc./Contingency	$32,113	$46,943	$68,625	$83,559	$101,689
SUB-TOTAL	**$353,238**	**$516,368**	**$754,875**	**$919,153**	**$1,118,584**
FIXED COSTS					
Labor & Benefits	$45,000	$49,500	$54,450	$59,895	$65,885
Depreciation	$150,000	$150,000	$150,000	$150,000	$150,000
Building Rent	$99,000	$99,000	$99,000	$99,000	$99,000
Equipment Rent	$3,000	$3,750	$4,688	$5,859	$7,324
Real Estate Taxes	$4,000	$4,000	$4,000	$4,000	$4,000
Insurance	$12,000	$13,200	$14,520	$15,972	$17,569
Professional/Testing	$16,000	$20,000	$25,000	$31,250	$39,063
Interest Expense	$54,230	$49,678	$44,894	$39,865	$34,579
Miscellaneous	$20,000	$22,612.50	$25,664.38	$29,244.09	$33,460.10
SUB-TOTAL	**$403,230**	**$411,741**	**$422,216**	**$435,086**	**$450,880**
TOTAL COSTS	**$756,467**	**$928,108**	**$1,177,091**	**$1,354,239**	**$1,569,464**
PRODUCTION COSTS/LB	**$7.56**	**$6.19**	**$5.23**	**$4.82**	**$4.46**
TOTAL COSTS/LB	**$9.72**	**$8.37**	**$7.44**	**$7.05**	**$6.72**
NET OPERATING INCOME	**-$184,967**	**-$73,108**	**$94,159**	**$220,762**	**$381,708**
NON-CASH EXPENSES ADDED BACK TO YIELD EBITDA					
Depreciation	$150,000	$150,000	$150,000	$150,000	$150,000
Interest Expense	$54,230	$49,678	$44,894	$39,865	$34,579
EBITDA	**$19,263**	**$126,570**	**$289,053**	**$410,628**	**$566,287**
ADDITIONAL CASH EXPENSES					
Debt Service	$143,188	$143,188	$143,188	$143,188	$143,188
Capital Expenditures	$0	$25,000	$25,000	$25,000	$25,000
CASH FLOW	**-$123,926**	**-$41,618**	**$120,865**	**$242,439**	**$398,098**
BEGINNING EQUITY	**$500,000**	**$315,033**	**$241,924**	**$336,083**	**$556,845**
ENDING EQUITY	**$315,033**	**$241,924**	**$336,083**	**$556,845**	**$938,553**

9.0 Financing Request

The structure of this business plan will minimize public risk and maximize the ability to attract a capable experienced operator as well as a milk supply. A $21,250 grant has been secured from the PA Dairy Investment Program to develop a regional dairy branding and pairing program. This regional branding and marketing program will be designed to retain and grow Wayne County's dairy industry and support the selected operator. Pairing dairy products with others made or grown locally is a critical element.

The cash flow projections and pro forma financial statements lay out a feasible strategy for developing a Wayne County cheese plant focused on Hispanic or similar cheeses. While there is negative cash flow during the first two years, the selected operator will be required to demonstrate financial capacity to absorb these early losses. Financing will be requested for $1,125,000 of equipment. Assuming a financially capable operator is secured through as Request for Proposals, a $250,000 grant for equipment is obtained and such additional equipment financing is obtainable, this a very feasible project.

The next step is to approve a final version of the draft Request for Proposals and to distribute it as widely as possible. An advertisement for this purpose in the *Cheese Reporter* is highly recommended.

If this solicitation is successful the County can select the best proposal and then negotiate an agreement with the proposer in which it agrees to use its best efforts to deliver the earlier described incentives and the proposer agrees to use its best efforts to meet the performance goals set by the agreement. The County would also agree to help facilitate the construction and leasing of a building to suit the plant operation.

APPENDIX A

List of Northeastern US Dairy Related Wholesalers

Business Name	Address	City	State	ZIP	Employees	2019 Sales
Northeastern US Dairy Related Wholesalers (Source: ESRI 2021)						
Cheese Wholesalers (NAICS 42443011)						
M Fierro & Sons Llc	N Union St	Wilmington	DE	19805	9	$19,713,000
Maryland Deli Foods Co	Batavia Farm Rd	Rosedale	MD	21237	4	$7,031,000
Great Hill Dairy Inc	Delano Rd	Marion	MA	02738	3	$4,807,000
Seacrest Foods	Bennett St	Lynn	MA	01905	65	$110,470,000
Gardener Cheese Co Inc	Sterling St	Kingston	NY	12401	13	$20,301,000
Habco Sales Inc	Ranick Dr E	Amityville	NY	11701	50	$93,186,000
Pauls Provisions	Mcquade Ave	Utica	NY	13501	6	$9,594,000
Quesos Centroamericano Corp	Hanse Ave	Freeport	NY	11520	8	$15,084,000
Vinny's Deli & Pasta	E Main St	Pawling	NY	12564	4	$6,804,000
Andrew & Everett Cheese	Cumberland Pkwy	Mechanicsburg	PA	17055	2	$3,317,000
Betts Food Products	Possum Hollow Rd	Pottstown	PA	19464	4	$7,187,000
Dairi Concepts	Presidents Dr	Hummelstown	PA	17036	5	$8,278,000
Valentino Cheese & Dairy Co	N Cedar St	New Castle	PA	16102	3	$4,290,000
York Valley Cheese Co Inc	S Broad St	Hallam	PA	17406	1	$1,556,000
Providence Specialty Products	Dearborn St	Providence	RI	02909	8	$12,572,000
Swan Valley Cheese of Vermont	Jonergin Dr	Swanton	VT	05488	30	$40,652,000
Dairy Products Wholesalers (NAICS 42443012)						
Dairy Mart Inc	Post Road Plz	Vernon Rockville	CT	06066	12	$20,161,000
Dean Foods	Park Ave	East Hartford	CT	06108	12	$21,988,000
Farmer's Cow	Chappell Rd	Lebanon	CT	06249	7	$13,071,000
Instantwhip Inc	N Plains Industrial Rd	Wallingford	CT	06492	20	$37,027,000
Maple Hill Farms	Burr Rd	Bloomfield	CT	06002	15	$27,485,000
Mountain Dairy	Stearns Rd	Storrs Mansfield	CT	06268	32	$53,763,000
Lehigh Valley Dairy Farms	S Dupont Hwy	Harrington	DE	19952	9	$15,034,000
Garelick Farms	Hammond St	Hermon	ME	04401	100	$138,507,000
Garelick Farms of Maine	Presque Isle Rd	Caribou	ME	04736	6	$7,602,000
Oakhurst Dairy	Forest Ave	Portland	ME	04101	170	N/A
Dean Foods	Stanford Blvd	Columbia	MD	21045	12	$22,157,000
High's of Baltimore	German Hill Rd	Dundalk	MD	21222	6	$10,547,000
Instantwhip Inc	Pennsy Dr	Landover	MD	20785	40	$66,098,000
Jefferson Cheese Mfg Inc	Dual Hwy	Hagerstown	MD	21740	7	$11,364,000
Lehigh Valley Dairy Farms	Oakmont Dr	Hagerstown	MD	21740	30	$48,700,000
Marva Maid Dairy	S Club Dr	Hyattsville	MD	20785	100	$165,243,000
Saputo Dairy Foods Usa	E Patrick St	Frederick	MD	21701	130	$219,033,000
Triangle Quality Foods Llc	Cabin Branch Dr	Hyattsville	MD	20785	7	$11,567,000
Wra Storage Systems	Loretta Ln	Mechanicsville	MD	20659	9	$15,509,000
Crescent Creamery	S Onota St	Pittsfield	MA	01201	12	$18,882,000
Dairy Farmers of America	Bartlett St	Marlborough	MA	01752	35	$64,522,000
Dunajski Dairy	Buxton Ln	Peabody	MA	01960	5	$8,498,000
Hp Hood	Research Dr	Wilmington	MA	01887	10	$18,435,000
Interfood Inc	Hickory Dr	Waltham	MA	02451	10	$18,435,000
Lecomtes Dairy	Wood St	Somerset	MA	02726	10	$16,125,000
N Winer & Son Inc	Liberty St	Springfield	MA	01104	18	$28,314,000
Our Family Farms	Wells St	Greenfield	MA	01301	2	$2,897,000
Rich Dairy Products	Plain St	Marshfield	MA	02050	7	$11,216,000
William S Mc Carthy Assoc	N/A	Peabody	MA	01960	4	$6,799,000
Dairy Farmers of America	Mcguire St	Concord	NH	03301	20	$33,646,000

Echo Farm Inc	Chesterfield Rd	Hinsdale	NH	03451	13	$20,377,000
Rocky's Dairy Products	Rollins Rd	Alton Bay	NH	03810	1	$1,612,000
Rocky's Dairy Products	Daniel Webster Hwy	North Woodstock	NH	03262	8	$13,164,000
A Panza & Sons Ltd	Fieldcrest Ave	Edison	NJ	08837	75	$148,761,000
Amco Proteins	Elbow Ln	Burlington	NJ	08016	40	$70,005,000
Arla Foods Ingredients Inc	Far View Rd	Great Meadows	NJ	07838	14	$25,929,000
Bartlett Dairy Distribution	Bergen St	Newark	NJ	07108	14	$27,796,000
De Bel's Dairy	Minnisink Rd	Totowa	NJ	07512	2	$3,741,000
Dingmans Dairy	Alabama Ave	Paterson	NJ	07503	23	$43,016,000
Havens Dairy Farm Llc	State Rt 284	Sussex	NJ	07461	1	$1,726,000
Instantwhip Inc	Manhattan Dr	Burlington	NJ	08016	19	$33,253,000
Jana Foods	Wood Ave S	Iselin	NJ	08830	11	$21,819,000
Tnuva Inc	Oak Rd	Fairfield	NJ	07004	7	$13,898,000
Boice Brothers Dairy	Oneil St	Kingston	NY	12401	30	$46,848,000
Bryne Dairy	Cortland Ave	Syracuse	NY	13202	24	$39,283,000
Carter Farms Inc	Moffitt Rd	Plattsburgh	NY	12901	3	$4,911,000
Charles Stube Co Inc	Cazenovia Rd	Manlius	NY	13104	7	$11,458,000
Dairy Marketing Svc Llc	Brittonfield Pkwy	East Syracuse	NY	13057	101	N/A
Depew Milk Co	Pine View Ln	Lancaster	NY	14086	4	$6,712,000
Fage Usa Dairy Ind Inc	Opportunity Dr	Johnstown	NY	12095	250	$367,829,000
Holland Patent Farmer's Co-op	Depot St	Holland Patent	NY	13354	6	$9,594,000
Hoover's Dairy Inc	Hoover Rd	Sanborn	NY	14132	8	$12,639,000
Hudson Valley Behavioral Sltn	Roethal Dr	Hopewell Jct	NY	12533	6	$10,206,000
Hudson's Dairy	Hart St	Fulton	NY	13069	12	$18,680,000
Indian Milk & Honey Co	Johnson Rd	Freeville	NY	13068	6	$9,761,000
Instantwhip Inc	Wayne St	Endwell	NY	13760	9	$14,844,000
Instantwhip Inc	Genesee St	Buffalo	NY	14211	20	$33,558,000
Instantwhip Inc	Weicher St	Rochester	NY	14606	13	$21,107,000
Instantwhip N Y Inc	62nd St	Woodside	NY	11377	13	$21,555,000
Jersey Lynne Farms Inc	Foster Ave	Brooklyn	NY	11236	30	$47,854,000
Lactalis American Group Inc	3rd Ave	New York	NY	10017	6	$10,354,000
Land O'lakes Inc	Ludy St	Hicksville	NY	11801	6	$11,313,000
Long Blockchain Corp	Dubon Ct	Farmingdale	NY	11735	0	N/A
Long Island Farmers	Old Northport Rd	Kings Park	NY	11754	6	$11,183,000
Marquart Dairy Llc	Hardys Rd	Gainesville	NY	14066	5	$7,399,000
Midland Farms	Broadway	Menands	NY	12204	50	$89,863,000
New Hope View Farm Llc	Us Route 11	Homer	NY	13077	14	$54,286,000
North Country Dairy Inc	County Route 52	North Lawrence	NY	12967	150	$237,050,000
O-at-ka Milk Prod Co-op Inc	Ellicott St	Batavia	NY	14020	250	N/A
O-at-ka Milk Prod Co-op Inc	Ellicott Street Rd	Batavia	NY	14020	125	$155,821,000
Onedia Madison Milk Producers	W Seneca	Sherrill	NY	13461	6	$9,594,000
Sycaway Creamery Inc	Duncan Ln	Troy	NY	12180	12	$19,597,000
Upstate Dairy Farm	Swan Lake Rd	Ferndale	NY	12734	6	$10,028,000
Upstate Niagara Co-op Inc	Falconer Frewsburg Rd	Jamestown	NY	14701	12	$15,853,000
Upstate Niagara Co-op Inc	Fulton Ave	Rochester	NY	14608	150	$243,540,000
Upstate Niagara Co-op Inc	Anderson Rd	Buffalo	NY	14225	100	N/A
Upstate Niagara Co-op Inc	Ellicott St	Batavia	NY	14020	25	$31,165,000
Walts Dairy Llc	Valley View Rd	Copake	NY	12516	3	$4,747,000
Cumberland Valley Milk Prdcrs	Marcon Blvd	Allentown	PA	18109	2	$3,419,000
Dean Foods	Allentown Rd	Upper Gwynedd	PA	19446	12	$21,559,000
Fresh Dairy	Damar Dr	Philadelphia	PA	19116	10	$17,512,000
Fresh Made Inc	Bleigh Ave	Philadelphia	PA	19111	24	N/A
Fulton's Dairy	Ritner Hwy	Shippensburg	PA	17257	10	$16,584,000
Galliker Dairy Co	Donald Ln	Johnstown	PA	15904	350	$424,501,000

Great Lakes Milk Prod Inc	Georgian Pl	Somerset	PA	15501	1	$1,378,000
Hamilton Heights Dairy Farm	Edenville Rd	Chambersburg	PA	17202	3	$4,475,000
Instantwhip Inc	June Ave	Blandon	PA	19510	10	$16,441,000
Land O'lakes Inc	Park Dr	Carlisle	PA	17015	180	$298,512,000
Melvin Oberholtzer Dairy Farm	Church Rd	Womelsdorf	PA	19567	3	$4,933,000
S H Premiers Inc	Allentown Rd	Lansdale	PA	19446	10	$17,966,000
Schneider's Dairy	N Main St	Seneca	PA	16346	20	$34,514,000
Schneider's Dairy Inc	Frank St	Pittsburgh	PA	15227	150	N/A
Schneider's Dairy Inc	W Wylie Ave	Washington	PA	15301	12	$19,787,000
Sdi Inc	Lewis Rd	Newtown Square	PA	19073	10	$17,257,000
West Side Dairy	Wilkes Barre Township Blvd	Wilkes Barre	PA	18702	9	$14,368,000
Zausner Foods Corp	S Custer Ave	New Holland	PA	17557	75	$117,950,000
J P Serpa Creamery	Richmond St	Bristol	RI	02809	10	$13,852,000
D C Arms Logistics Llc	Harbor Rd	Shelburne	VT	05482	5	$7,645,000
Mansfield Dairy	Waterbury Rd	Stowe	VT	05672	5	$7,508,000
Monument Farms Dairy	James Rd	Weybridge	VT	05753	40	$69,027,000
N & R Dairy	S Barton Rd	Barton	VT	05822	2	$2,704,000
Grocers – Wholesale (NAICS 42441005)						
Amado Market	Oak St	New Britain	CT	06051	4	$7,172,000
Burt Schuman Food Brokerage	Dogwood Ct	Rocky Hill	CT	06067	2	$3,586,000
C & S Wholesale Grocers Inc	Harvey Ln	Suffield	CT	06078	4	$7,172,000
Food Marketing Group	E Putnam Ave	Old Greenwich	CT	06870	5	$10,468,000
Grade a Shoprite	Shippan Ave	Stamford	CT	06902	11	$23,029,000
Jetro Cash & Carry	E Main St	Waterbury	CT	06705	4	$6,951,000
L & C Intl	Food Terminal Plz	New Haven	CT	06511	2	$3,476,000
Sweet Life Cash & Carry	Reserve Rd	Hartford	CT	06114	4	$7,172,000
K H Foods Inc	A St	Wilmington	DE	19801	2	$4,105,000
Caribbean Crescent	5th St Ne	Washington	DC	20002	5	$10,010,000
Mochi Inc Dc Supermarket	8th St Ne	Washington	DC	20002	2	$4,004,000
Market Vendors Llc	Monument Sq	Portland	ME	04101	4	$6,269,000
Micucci Grocery Store	Riverside St	Portland	ME	04103	38	$59,550,000
Webb's Market	Pine St	Lewiston	ME	04240	8	$9,483,000
7 Star Food Market	Pennington Ave	Curtis Bay	MD	21226	1	$1,627,000
A & B Market	N Central Ave	Baltimore	MD	21202	4	$6,507,000
Amazing Grace Intl Llc	Belair Rd	Baltimore	MD	21206	15	$24,401,000
Angel's Food Market Inc	Mountain Rd	Pasadena	MD	21122	70	$130,851,000
B Green & Co Inc	S Monroe St	Baltimore	MD	21230	200	N/A
Baltimore Cash & Carry	S Monroe St	Baltimore	MD	21230	35	$56,936,000
C & S Wholesale Grocers Inc	Lums Rd	North East	MD	21901	6	$8,730,000
C & S Wholesale Grocers Inc	Old Philadelphia Rd	Aberdeen	MD	21001	250	$379,172,000
Community Produce	Pennsylvania Ave	Baltimore	MD	21217	2	$3,254,000
Creative Food Group	Elm Rd	Baltimore	MD	21240	5	$9,347,000
Danyun Chen Grocery & Dairy	W Baltimore St	Baltimore	MD	21223	15	$24,401,000
Djk Foodmarket Inc	Cliftview Ave	Baltimore	MD	21213	2	$3,254,000
Doughty's Food Market	W North Ave	Baltimore	MD	21216	15	$24,401,000
Eastern Mart	Eastern Ave	Baltimore	MD	21224	15	$24,401,000
Economy Wholesale Co	Lane Ave	Lavale	MD	21502	10	$12,877,000
El Mercadito Latino	Back River Neck Rd	Essex	MD	21221	7	$11,863,000
Emd Sales Inc	Washington Blvd	Baltimore	MD	21230	15	$24,401,000
Food Barn	Wise Ave	Dundalk	MD	21222	2	$3,390,000
Fresh Ideation Food Group	Wegworth Ln	Baltimore	MD	21230	15	$24,401,000
Great Wall Supermarket	Baltimore National Pike	Catonsville	MD	21228	3	$5,084,000
Green Paradise Enterprise Corp	Rappahanock Ave	Jessup	MD	20794	15	$24,622,000
Indian Food & Spices	Cranbrook Rd	Cockeysville	MD	21030	7	$11,863,000

Indian Super Market	Fenton St	Silver Spring	MD	20910	3	$5,117,000
International Quality Foods	Bursa Rd	Laurel	MD	20723	15	$24,622,000
Isabel's Latin Market Albert	Vernon Ave	Glen Burnie	MD	21061	5	$9,347,000
J P Casta Inc	Hollins Ferry Rd	Halethorpe	MD	21227	7	$11,863,000
Jetro Cash & Carry	Annapolis Rd	Halethorpe	MD	21227	70	$118,621,000
Klein's Tower Plaza Inc	Jarrettsville Pike	Phoenix	MD	21131	7	$11,863,000
Kwike Mart	Washington Blvd	Baltimore	MD	21230	15	$24,401,000
La Union Market Ii Llc	Reisterstown Rd	Baltimore	MD	21215	15	$24,401,000
Market El Sol	Eastern Ave	Baltimore	MD	21224	15	$24,401,000
Maryland Home Improvement Co	46th Ave	Hyattsville	MD	20781	13	$23,949,000
Natural Market Inc	Lynx Ln	Columbia	MD	21044	15	$24,622,000
One Stop Grocery & Things	W Lombard St	Baltimore	MD	21223	15	$24,401,000
Pennsylvania Dutch Market	York Rd	Cockeysville	MD	21030	1	$1,695,000
Prima Food's Inc	Kane St	Baltimore	MD	21224	10	$16,268,000
Rose Bazar & Deli Llc	Old Harford Rd	Parkville	MD	21234	7	$11,863,000
Sal's Seafood Inc	Aliceanna St	Baltimore	MD	21231	5	$8,134,000
Sapna Foods	Amberton Dr	Elkridge	MD	21075	15	$24,622,000
Shagga Coffee	Baltimore Ave	Hyattsville	MD	20781	15	$27,633,000
Snw Market	Greenmount Ave	Baltimore	MD	21218	15	$24,401,000
Speedy Mart	E Patapsco Ave	Brooklyn	MD	21225	15	$24,401,000
Spicknall's Farm Market	Old Gunpowder Rd	Beltsville	MD	20705	15	$27,633,000
Stop 1 Convenience Store	Garrison Blvd	Baltimore	MD	21216	5	$8,134,000
Supernatural Foods	W University Pkwy	Baltimore	MD	21210	15	$24,401,000
Talucci Fine Foods Llc	La Salle Rd	Towson	MD	21286	7	$11,863,000
Wing Hing Trading	Patuxent Range Rd	Jessup	MD	20794	15	$24,622,000
Young's Grocery Store	N Stricker St	Baltimore	MD	21223	2	$3,254,000
A & B Package Store	Pelham St	Methuen	MA	01844	6	$9,687,000
Alves Grocery	N Main St	Brockton	MA	02301	3	$4,558,000
Arax Market	Mount Auburn St	Watertown	MA	02472	5	$280,000
Biena Foods	Braintree St	Allston	MA	02134	3	$6,095,000
Bread N Butter	S Main St	Sharon	MA	02067	1	$1,742,000
C & S Wholesale Grocers Inc	Medieros Way	Westfield	MA	01085	10	$15,011,000
C & S Wholesale Grocers Inc	N Hatfield Rd	Hatfield	MA	01038	250	$320,659,000
C & S Wholesale Grocers Inc	Elm St	Hatfield	MA	01038	1500	$1,923,953,000
Canal Grocery & Deli	Millbury St	Worcester	MA	01610	3	$4,427,000
El Volvio Nera Grocery	Walnut St	Lawrence	MA	01841	2	$3,229,000
Family Corner Multi Svc	Boston St	Lynn	MA	01905	2	$3,229,000
Food Pack Express	Theodore Glynn Way	Roxbury	MA	02118	15	$30,473,000
Formosa Marketplace Llc	Worcester Rd	Framingham	MA	01701	3	$5,176,000
Friend's Marketplace	Main St	Orleans	MA	02653	30	$42,833,000
Garcia Grocery & Tropical	Main St	Brockton	MA	02301	3	$4,558,000
Gu Markets Cash & Carry	Avocado St	Springfield	MA	01104	9	$13,510,000
Halal Foods	Middlesex St	Lowell	MA	01851	3	$5,176,000
Hari Mart	Hathaway Blvd	New Bedford	MA	02740	9	$13,078,000
J Pace & Son	Main St	Saugus	MA	01906	14	$22,603,000
Jetco Cash & Carry	1st Ave	Chicopee	MA	01020	10	$15,011,000
Jetro Cash & Carry Enterprises	Deer St	Milford	MA	01757	60	$88,521,000
John Accardi & Sons Inc	Commercial St	Medford	MA	02155	30	$51,759,000
Jozev Products Inc	Deer Park Dr	East Longmeadow	MA	01028	4	$6,005,000
Los Amigos Market	High St	Lowell	MA	01852	2	$3,451,000
Luzo Maxi-market	Nash Rd	New Bedford	MA	02746	4	$5,813,000
Mekong Market	Main St	Worcester	MA	01610	6	$8,853,000
Raja & Rana's Indian Market	Cambridge St	Burlington	MA	01803	2	$3,451,000
S K B's Food Inc	Columbia Rd	Dorchester	MA	02121	3	$6,095,000

Saigon Market	Belmont Ave	Springfield	MA	01108	3	$4,504,000
Schultz Farm	Maple Ave	Rutland	MA	01543	3	$4,427,000
Stone Pantry	E Main St	Georgetown	MA	01833	3	$4,844,000
Tavarez Groceries	Warren Ave	Brockton	MA	02301	1	$1,520,000
Tenares Grocery	Berkeley St	Lawrence	MA	01841	1	$1,615,000
Tesoro Distributors	Market St	Everett	MA	02149	3	$5,176,000
Turkuaz Market	Brighton Ave	Allston	MA	02134	4	$8,126,000
Wing Wang Trading Co	Kemble St	Roxbury	MA	02119	3	$6,095,000
Ag New England Inc	Cooperative Way	Pembroke	NH	03275	7	$10,228,000
Associated Grocers-new England	S Main St	Laconia	NH	03246	7	$9,820,000
Associated Grocers-new England	Gold St	Manchester	NH	03103	3	$4,581,000
C & S Wholesale Grocers Inc	Corporate Dr	Keene	NH	03431	1200	N/A
C & S Wholesale Grocers Inc	Kit St	Keene	NH	03431	7	$9,407,000
C & S Wholesale Grocers Inc	Maple Ave	Keene	NH	03431	7	$9,407,000
Chip To Be Square Llc	Frederick St	Manchester	NH	03102	3	$4,581,000
Evissi Usa Llc	Regional Dr	Concord	NH	03301	7	$10,228,000
Favorite Foods Inc	Interstate Dr	Somersworth	NH	03878	33	$44,974,000
Gordon Food Svc	Harvey Rd	Bedford	NH	03110	3	$4,581,000
Mahad	Chestnut St	Manchester	NH	03101	3	$4,581,000
Michael Blanchard Distribution	W Haven Rd	Manchester	NH	03104	3	$4,581,000
Village Variety	Moultonville Rd	Center Ossipee	NH	03814	5	$7,738,000
932 Market St Assoc	Market St	Paterson	NJ	07513	2	$3,422,000
C & J Brothers	W Railway Ave	Paterson	NJ	07503	2	$3,422,000
C & S Wholesale Grocers Inc	Fieldcrest Ave	Edison	NJ	08837	11	$19,526,000
C & Swholesale Gro	Paragon Dr	Montvale	NJ	07645	9	$17,410,000
Caribe Food Market	15th Ave	Newark	NJ	07103	2	$3,519,000
Corola Food Market	N Clinton Ave	Trenton	NJ	08638	5	$9,047,000
E B Express Provisions	Vanderpool St	Newark	NJ	07114	20	$35,190,000
East Side Grocery	10th Ave	Paterson	NJ	07514	2	$3,422,000
Elizabeth Mini Market	Beatty St	Trenton	NJ	08611	2	$3,619,000
Fourth Avenue Food Market	4th Ave	East Orange	NJ	07017	4	$7,038,000
General Trading Co	16th St	Carlstadt	NJ	07072	350	$677,027,000
Guarino Sons Produce Inc	Hessian Ave	West Deptford	NJ	08063	31	$62,863,000
Heritage Distributors Intl	Empire St	Newark	NJ	07114	3	$5,279,000
Heritage's Dairy Stores	Imperial Way	West Deptford	NJ	08066	36	$73,002,000
High Grade Beverage Guard Hse	Georges Rd	North Brunswick	NJ	08902	11	$19,526,000
Indian Groceries & Spices Inc	E Lincoln Ave	Rahway	NJ	07065	10	$18,651,000
J & N Grocery	16th Ave	Newark	NJ	07103	4	$7,038,000
Jai Chamunda Inc	Dayton Ave	Clifton	NJ	07011	2	$3,422,000
Jetro	Amity St	Jersey City	NJ	07304	90	$148,582,000
Joel Minimarket Grocery	Johnston Ave	Jersey City	NJ	07304	3	$4,953,000
Kosher Mart Foods	Deer Rd	Cherry Hill	NJ	08034	5	$8,647,000
Leo Grocery	Summer Ave	Newark	NJ	07104	4	$7,038,000
Man Wholesale	13th St	North Bergen	NJ	07047	2	$3,302,000
Marmolejos Market	Fayette St	Perth Amboy	NJ	08861	11	$19,526,000
O T G New York Inc	Stonehurst Ct	Northvale	NJ	07647	9	$17,410,000
Patel Brothers	Oak Tree Rd	Iselin	NJ	08830	3	$5,326,000
Prospect Deli Market	Prospect St	Trenton	NJ	08618	3	$5,428,000
Puebla Mex	Main St	Butler	NJ	07405	6	$11,459,000
Quik Pik	Wheeler Point Rd	Newark	NJ	07105	9	$15,836,000
Quik Shop	Franklin Ave	Franklin Lakes	NJ	07417	2	$3,869,000
Rockaway Market	Richards Ave	Dover	NJ	07801	15	$28,647,000
Shop & Bag Meat Ctr	Frelinghuysen Ave	Newark	NJ	07114	3	$5,279,000
Star Wholesale	Getty Ave	Clifton	NJ	07011	3	$5,133,000

Stop Shop	Franklin Ave	Wyckoff	NJ	07481	180	$348,185,000
Superior Grocery	W Front St	Plainfield	NJ	07063	1	$1,866,000
Taveras Brothers Llc	Central Ave	Newark	NJ	07103	6	$10,557,000
Vinayak Foods Inc	Jernee Mill Rd	Sayreville	NJ	08872	3	$5,326,000
1038 Safe Corp	Court St	Utica	NY	13502	2	$2,803,000
1040 Sherman Ave Supermarket	Sherman Ave	Bronx	NY	10456	50	$70,225,000
120 W Burnside Corp	W Burnside Ave	Bronx	NY	10453	3	$4,214,000
21 Asian Ctr	Headson Dr	Syracuse	NY	13214	4	$6,909,000
2172 Crotona Deli Market	Crotona Ave	Bronx	NY	10458	5	$7,023,000
2556 Boston Food Corp	Boston Rd	Bronx	NY	10467	2	$2,809,000
2690 Grocery Corp	3rd Ave	Bronx	NY	10454	8	$11,236,000
30-46 Ave Deli & Grocery	30th Ave	Astoria	NY	11103	2	$2,878,000
574 Broadway Food Corp	Broadway	Brooklyn	NY	11206	3	$4,285,000
57th Avenue Market Inc	57th Ave	Corona	NY	11368	75	$107,891,000
60 Food Corp	E 42nd St	New York	NY	10165	5	$10,913,000
635 Gourmet Deli Inc	E 169th St	Bronx	NY	10456	2	$2,809,000
7 Days Food Store	Sutphin Blvd	Jamaica	NY	11435	2	$2,878,000
7 R & M Deli & Grocery	E 172nd St	Bronx	NY	10452	6	$8,427,000
7955 Ae Co Inc	Roosevelt Ave	Flushing	NY	11354	2	$2,878,000
A & a Deli Grocery	10th Ave	New York	NY	10019	6	$13,096,000
A & M	E 182nd St	Bronx	NY	10457	2	$2,809,000
Aaa Trading Inc	Foster Ave	Brooklyn	NY	11236	3	$4,285,000
Abarrotear Central Corp	97th Pl	Flushing	NY	11368	2	$2,878,000
Aden Groceries Food	New Utrecht Ave	Brooklyn	NY	11219	2	$2,857,000
Afs Market Inc	Myrtle Ave	Brooklyn	NY	11206	50	$71,407,000
Akmm Usa Corp	Westchester Ave	Bronx	NY	10472	2	$2,809,000
Al-aqsa Halal Meat & Sprmrkt	Starling Ave	Bronx	NY	10462	2	$2,809,000
Alfonso's Deli & Grocery Inc	Grand Concourse	Bronx	NY	10457	4	$5,618,000
Alfredo Grocery	Rosedale Ave	Bronx	NY	10472	2	$2,809,000
Almond Fruit Corp	Pitkin Ave	Brooklyn	NY	11212	2	$2,857,000
Almonte Food Corp	N Central Ave	Valley Stream	NY	11580	2	$3,546,000
Amel & Dean Deli Grocery	E Gun Hill Rd	Bronx	NY	10467	2	$2,809,000
Ameya & Richa Inc	Bell Blvd	Flushing	NY	11361	2	$2,878,000
Angelarr Deli Grocery Inc	Astoria Blvd	Astoria	NY	11102	2	$2,878,000
Aqui Me Quedo Grocery Corp	Gerard Ave	Bronx	NY	10452	2	$2,809,000
Arauyo Grocery	Westchester Ave	Bronx	NY	10472	3	$4,214,000
Available Products	Sierra Vista Ln	Valley Cottage	NY	10989	1	$1,718,000
Bacchus West Indian Market	Rogers Ave	Brooklyn	NY	11226	2	$2,857,000
Bainbridge Grocery Corp	Bainbridge Ave	Bronx	NY	10467	2	$2,809,000
Bandera Market	Broadway	Haverstraw	NY	10927	2	$3,436,000
Banesa Grocery	Anthony Ave	Bronx	NY	10457	2	$2,809,000
Bangkok Bangkok Imports Exprts	Clinton Ave	Brooklyn	NY	11205	2	$2,857,000
Bangkok Market	Clinton Ave	Brooklyn	NY	11205	4	$5,713,000
Bds Distributors Inc	Brooklyn Terminal Market	Brooklyn	NY	11236	6	$8,569,000
Bean Kings Inc	N Route 9w	Congers	NY	10920	2	$3,436,000
Beech Grocery Corp	Beech St	Yonkers	NY	10701	3	$5,028,000
Bens Meat O Mat Inc	Knolls Cres	Bronx	NY	10463	8	$11,236,000
Benz's Food Products Inc	Central Ave	Brooklyn	NY	11207	2	$2,857,000
Best Market	E Willow St	Syracuse	NY	13203	4	$6,909,000
Bhazik Corp	E Main St	Elmsford	NY	10523	2	$3,352,000
Big Ak Deli Grocery	White Plains Rd	Bronx	NY	10466	2	$2,809,000
Blanco Deli Grocery	Foch Blvd	Jamaica	NY	11436	6	$8,632,000
Boudier Grocery	Autumn Ave	Brooklyn	NY	11208	2	$2,857,000
Broad Street Cash & Carry	Broad St	Utica	NY	13501	6	$8,407,000

Bx Marketita	W Burnside Ave	Bronx	NY	10453	2	$2,809,000
C & S Whls Grocer Perishable	Elizabeth Dr	Chester	NY	10918	6	$9,247,000
C & S Wholesale Grocers Inc	Elizabeth Dr	Chester	NY	10918	5	$7,706,000
C & S Wholesale Grocers Inc	Corporate Blvd	Newburgh	NY	12550	5	$7,706,000
Calsi's General Store	Main St	Wassaic	NY	12592	1	$1,448,000
Caribbean Food Distributors	Brooklyn Terminal Market	Brooklyn	NY	11236	2	$2,857,000
Carino Grocery	E 182nd St	Bronx	NY	10457	1	$1,405,000
Casa Imports	Broad St	Utica	NY	13501	175	$245,196,000
Cedar Point Market	State Route 12e	Cape Vincent	NY	13618	12	$15,464,000
City Foods Distributors	E 88th St	Brooklyn	NY	11236	2	$2,857,000
Corner Store	Ontario St	Albany	NY	12206	1	$1,871,000
Cotui Deli Grocery	Fulton St	Brooklyn	NY	11208	2	$2,857,000
Crown I Enterprises Inc	Saxon Ave	Bay Shore	NY	11706	100	$166,990,000
D & M Elm St Market	Elm St	Malone	NY	12953	1	$1,369,000
Daily Grocery	E Tremont Ave	Bronx	NY	10457	2	$2,809,000
Dania Deli Grocery Corp	111th Ave	Jamaica	NY	11435	2	$2,878,000
Diaz Grocery of Ny Inc	Jamaica Ave	Jamaica	NY	11418	1	$1,439,000
Ditmas Fruits & Vegetables	Ditmas Ave	Brooklyn	NY	11218	1	$1,429,000
Dong Shing Trading Inc	58th Pl	Woodside	NY	11377	30	$43,157,000
Dream Food Market	Wolf St	Syracuse	NY	13208	2	$3,455,000
E E Meat & Produce Inc	W Post Rd	White Plains	NY	10606	4	$6,704,000
E R Food Corp	3rd Ave	Bronx	NY	10456	3	$4,214,000
El Cilantro	Broadway	Elmhurst	NY	11373	2	$2,878,000
El Mercadito	Knickerbocker Ave	Brooklyn	NY	11237	3	$4,285,000
El Mercadito Mexican Grocery	State Route 17m	Monroe	NY	10950	5	$7,706,000
Essen	Varick St	New York	NY	10013	40	$87,304,000
Eurama Foods	Halsey St	Brooklyn	NY	11237	6	$8,569,000
F & J Master Sales	E 149th St	Bronx	NY	10455	2	$2,809,000
Family Deli Grocery	Castleton Ave	Staten Island	NY	10310	3	$4,415,000
Famous Colfax Deli & Grocery	Colfax St	Cambria Heights	NY	11411	2	$2,878,000
Far Rockaway Food Corp	Beach 25th St	Far Rockaway	NY	11691	3	$4,316,000
Farm Depot Inc	Morgan Ave	Brooklyn	NY	11211	2	$2,857,000
Fast Break Food Stores	Merrick Ave	Merrick	NY	11566	3	$5,319,000
Ferris Food Market Inc	Ferris Ave	White Plains	NY	10603	2	$3,352,000
Food Pantries for the Capital	Essex St	Albany	NY	12206	6	$11,221,000
Foragers City Wines	8th Ave	New York	NY	10011	5	$10,913,000
Four Star Fresh Grngrcrync	Jamaica Ave	Jamaica	NY	11435	2	$2,878,000
Franklin Beer & Grocery	Franklin Ave	Brooklyn	NY	11238	2	$2,857,000
Fresh Direct	11th St	Long Island City	NY	11101	2	$2,878,000
Freskeeto Frozen Foods Inc	Route 209	Ellenville	NY	12428	33	$44,372,000
Friends Grocery & Music	Starling Ave	Bronx	NY	10462	2	$2,809,000
Gavi's Grocer	Midland Ave	Port Chester	NY	10573	2	$3,352,000
Ginelle Grocery	Mcguinness Blvd	Brooklyn	NY	11222	3	$4,285,000
Gisell Food Corp	Watson Ave	Bronx	NY	10472	2	$2,809,000
Glady's Grocery	Washington Ave	Bronx	NY	10456	2	$2,809,000
Golub Corp	Centre Dr	Plattsburgh	NY	12901	7	$9,674,000
Good Water Farms	Plank Rd	East Hampton	NY	11937	5	$8,350,000
Gordon Food Svc	Washington St	Watertown	NY	13601	3	$3,866,000
Gordon Restaurant Market	Elmwood Ave	Buffalo	NY	14207	2	$3,260,000
Grahamsville General Store	Main St	Grahamsville	NY	12740	6	$8,520,000
Green Family Mart N Y C Inc	30th Ave	Astoria	NY	11102	2	$2,878,000
Green Planet Grocery	W Genesee St	Syracuse	NY	13219	10	$17,272,000
Grocery & Deli Plus	E 184th St	Bronx	NY	10468	2	$2,809,000
Grocery Store	Bronx River Ave	Bronx	NY	10472	2	$2,809,000

Haywards Deli & Market	Orange Tpke	Sloatsburg	NY	10974	3	$5,154,000
Hermano Cortes Corp	0	Brooklyn	NY	11219	2	$2,857,000
Highland Mini Market	Vineyard Ave	Highland	NY	12528	7	$9,413,000
Hochang Trading Corp	Vandervoort Ave	Brooklyn	NY	11211	2	$2,857,000
Holley Farm Market	Allen St	Buffalo	NY	14201	3	$4,889,000
Ibb Grocery	Schenectady St	Schenectady	NY	12307	3	$4,598,000
Icons Afro West African Foods	Linden Blvd	St Albans	NY	11412	2	$2,878,000
Iglesia Grocery	Main St	Haverstraw	NY	10927	2	$3,436,000
Indian Grocery	Main St	Flushing	NY	11355	2	$2,878,000
Ivoire African Market	Prospect Ave	Bronx	NY	10459	2	$2,809,000
J & B West Indian & Amer Groc	Liberty Ave	S Richmond Hill	NY	11419	2	$2,878,000
J & G Mini Market	Commonwealth Ave	Bronx	NY	10473	2	$2,809,000
J & J	E 165th St	Bronx	NY	10459	3	$4,214,000
J & J Distributors Corp	Lafayette Ave	Bronx	NY	10474	11	$15,450,000
J & K News Stand Inc	Amboy Rd	Staten Island	NY	10312	2	$2,944,000
J E B Grocery Corp	W 181st St	Bronx	NY	10453	1	$1,405,000
Jeremy Grocery	Warburton Ave	Yonkers	NY	10701	3	$5,028,000
Jetro Cash & Carry	Hamilton Ave	Brooklyn	NY	11232	100	$142,814,000
Jetro Cash & Carry	Foster Ave	Brooklyn	NY	11236	125	$178,518,000
Jetro Cash & Carry	132nd St	Flushing	NY	11356	2	$2,878,000
Jetro Cash & Carry	Oakpoint Ave	Bronx	NY	10474	145	$203,650,000
Jetro Cash & Carry	Forester St	New York	NY	11236	4	$5,713,000
Jetro Cash & Carry Ent Llc	S Regent St	Port Chester	NY	10573	2	$3,352,000
Jetro Cash & Carry Inc	132nd St	College Point	NY	11356	150	N/A
Jetro Holdings Inc	132nd St	College Point	NY	11356	3	N/A
Joselyn Grocery	Morris Ave	Bronx	NY	10453	4	$5,618,000
Jumbo Seafood Supermarket	63rd Dr	Rego Park	NY	11374	14	$20,140,000
Karamasian Grocery & Hodl Mead	State St	Schenectady	NY	12304	2	$3,066,000
Katzman Berry Corp	Hunts Point Term Mkt	Bronx	NY	10474	110	$154,493,000
Kekatos Enterprise Inc	Carroll Ave	Ronkonkoma	NY	11779	5	$8,350,000
Khaamar Baari	73rd St	Jackson Heights	NY	11372	8	$11,509,000
Kind Food Llc	W 38th St	New York	NY	10018	200	$436,516,000
Kinddom Projects Inc	Webster Ave	Bronx	NY	10458	5	$7,023,000
Klagsbald William	Bedford Ave	Brooklyn	NY	11249	2	$2,857,000
Kml Grocery	Crosby Ave	Bronx	NY	10461	2	$2,809,000
Krakus Deli	Ditmas Ave	Brooklyn	NY	11218	2	$2,857,000
La Colmenita Grocery	S Regent St	Port Chester	NY	10573	3	$5,028,000
La Familia Grocery	Fulton St	Brooklyn	NY	11208	2	$2,857,000
La Miguelena Grocery Corp	Halstead Ave	Mamaroneck	NY	10543	2	$3,352,000
La Reyna Morena	39th St	Brooklyn	NY	11219	1	$1,429,000
La Vega Grocery	Roosevelt Ave	Flushing	NY	11368	2	$2,878,000
Lady S	Austin Blvd	Island Park	NY	11558	4	$7,092,000
Lan Tian Usa Inc	Meserole St	Brooklyn	NY	11237	2	$2,857,000
Landau's Supermarket	Railroad Plz	South Fallsburg	NY	12779	15	$21,299,000
Latina Importing Co	Pine Ave	Niagara Falls	NY	14301	12	$16,009,000
Lawler's Grocery Store	State Route 96	Owego	NY	13827	9	$10,924,000
Le Beau's Grocery	4th St	Troy	NY	12180	2	$2,758,000
Lebanon Deli Grocery	E 169th St	Bronx	NY	10456	1	$1,405,000
Lim International	18th Ave	Brooklyn	NY	11214	2	$2,857,000
Livingston Market	Livingston Ave	Albany	NY	12206	2	$3,741,000
Lobbs Corp	Villa Ave	Bronx	NY	10468	2	$2,809,000
Longwood Food	Longwood Ave	Bronx	NY	10459	2	$2,809,000
Los Hermanos Grocery	Vyse Ave	Bronx	NY	10460	2	$2,809,000
Los Primos Grocery	Sutter Ave	Brooklyn	NY	11212	3	$4,285,000

Los Primos Grocery	W Fordham Rd	Bronx	NY	10468	1	$1,405,000
Loujana Market	S Salina St	Syracuse	NY	13205	4	$6,909,000
Low Place Deli	Cary Ave	Staten Island	NY	10310	3	$4,415,000
Lucky's Real Tomatoes	Meserole Ave	Brooklyn	NY	11222	20	$28,563,000
Lucy's Whey Carnegie Hill	E 93rd St	New York	NY	10128	5	$10,913,000
Lucys Whey	E 88th St	New York	NY	10128	5	$10,913,000
Macoris Mini Market Inc	Rockaway Ave	Brooklyn	NY	11212	2	$2,857,000
Maeng's Fruit & Vetgetable Mkt	W 183rd St	Bronx	NY	10453	2	$2,809,000
Makey Deli Grocery Inc	3rd Ave	Bronx	NY	10454	4	$5,618,000
Mannan	73rd St	Jackson Heights	NY	11372	3	$4,316,000
Manzueta Grocery	Riverdale Ave	Yonkers	NY	10705	2	$3,352,000
Marquez Fidel Grocery	Oak St	Yonkers	NY	10701	2	$3,352,000
Master Deli	Eastern Pkwy	Brooklyn	NY	11233	2	$2,857,000
Mastrianni's	Seneca St	Buffalo	NY	14210	2	$3,260,000
Mendez Grocery	Washington Ave	Bronx	NY	10457	2	$2,809,000
Metro	Veterans Memorial Hwy	Bohemia	NY	11716	12	$20,039,000
Mexicana Deli	E 204th St	Bronx	NY	10467	1	$1,405,000
Mi Tienda	E 201st St	Bronx	NY	10458	2	$2,809,000
Michael's	North Ave	New Rochelle	NY	10801	2	$3,352,000
Midtown Food Corp	W 46th St	New York	NY	10036	20	$43,652,000
Mike's Market	E Division St	Syracuse	NY	13208	4	$6,909,000
Millennium Food Group Llc	Birch Hill Rd	Locust Valley	NY	11560	2	$3,546,000
Mineola Mini Mart & Food Corp	Station Plz N	Mineola	NY	11501	2	$3,546,000
Ming Moon Grocery	Main St	Cold Spring	NY	10516	7	$10,388,000
Mini Me Shop	Knickerbocker Ave	Brooklyn	NY	11237	2	$2,857,000
Mona's Market	Broadway St	Buffalo	NY	14212	2	$3,260,000
Morrison Mini Market	Morrison Ave	Bronx	NY	10472	2	$2,809,000
Mr Grade a Inc	Burch Ave	Amityville	NY	11701	6	$10,020,000
Muharem Market	Bleecker St	Utica	NY	13501	2	$2,803,000
New & Used Discount	Troutman St	Brooklyn	NY	11206	2	$2,857,000
New Grocery & Deli	Borinquen Pl	Brooklyn	NY	11211	4	$5,713,000
Niher Corp	W 29th St	New York	NY	10001	2	$4,366,000
Nile Gourmet Deli	Steinway St	Astoria	NY	11103	3	$4,316,000
O & a the Corner Store	Forest Ave	Buffalo	NY	14213	5	$8,148,000
O D Food Market	Northland Ave	Buffalo	NY	14215	2	$3,260,000
Oakridge Farmers Mkt	Oakridge Dr	South Salem	NY	10590	10	$16,759,000
Olean Wholesale Grocery Co-op	Haskell Rd	Olean	NY	14760	285	N/A
One Stop Express	Pierce Ave	Niagara Falls	NY	14301	9	$12,007,000
One Stop Market	Albany St	Utica	NY	13501	1	$1,402,000
Oriental Syracuse Inc	E Fayette St	Syracuse	NY	13210	4	$6,909,000
Osgood Grocery Corp	Osgood Ave	Staten Island	NY	10304	3	$4,415,000
P C Deli Grocery	Arthur Ave	Bronx	NY	10458	2	$2,809,000
Paul's Market	192nd St	Flushing	NY	11358	10	$14,386,000
Paya Grocery	Jerome Ave	Bronx	NY	10468	1	$1,405,000
Pede & Sons Cash & Carry	Duanesburg Rd	Schenectady	NY	12306	1	$1,533,000
Peralta Grocery	Ralph Ave	Brooklyn	NY	11233	2	$2,857,000
Phil Am Food Mart	Tompkins Ave	Staten Island	NY	10305	8	$11,773,000
Pichon Ii	Ogden Ave	Bronx	NY	10452	2	$2,809,000
Prestige International	Lake Ave S	Nesconset	NY	11767	8	$13,360,000
Prima Provision	Kings Hwy	Brooklyn	NY	11223	6	$8,569,000
Puerto Rican Family	Belmont Ave	Brooklyn	NY	11208	2	$2,857,000
Raffy Food Ctr	Macdonough St	Brooklyn	NY	11233	2	$2,857,000
Rafy Grocery	E New York Ave	Brooklyn	NY	11203	2	$2,857,000
Rajafood Co	48th St	Maspeth	NY	11378	10	$14,386,000

Roberta's Grocery	Gildersleeve Ave	Bronx	NY	10473	1	$1,405,000
Rod Deli Grogery Store	W Kingsbridge Rd	Bronx	NY	10468	2	$2,809,000
Rom Sales Inc	State Route 208	Monroe	NY	10950	3	$4,624,000
Roma Grocery Corp	Riverdale Ave	Yonkers	NY	10705	2	$3,352,000
Roosevelt Grocery Corp	Roosevelt Ave	Jackson Heights	NY	11372	1	$1,439,000
Roosters Market	Gedney Way	White Plains	NY	10605	8	$13,407,000
Rosario Deli Grocery	Linden Blvd	Jamaica	NY	11412	2	$2,878,000
Ruznic Market	Albany St	Utica	NY	13501	2	$2,803,000
S & Y Grace Corp	Boston Rd	Bronx	NY	10475	2	$2,809,000
S N Ali Grocery & Halal Meats	Liberty Ave	Brooklyn	NY	11208	2	$2,857,000
S R Deli Grocery	43rd Ave	Flushing	NY	11373	2	$2,878,000
Sammy's Grocery	Arthur Ave	Bronx	NY	10458	1	$1,405,000
San Juan Food Market Inc	E Tremont Ave	Bronx	NY	10460	2	$2,809,000
Sarahi Grocery	Springfield Blvd	Springfield Gdns	NY	11413	2	$2,878,000
Sassone Wholesale Groceries Co	Bronxdale Ave	Bronx	NY	10462	15	$21,068,000
Shapla Cash & Carry Inc	Broadway	Elmhurst	NY	11373	2	$2,878,000
Sinco Grocery & Meat	Clarkson Ave	Brooklyn	NY	11203	1	$1,429,000
Smart & Strong Llc	Little West 12th St	New York	NY	10014	5	$10,913,000
Smart & Strong Llc	7th Ave	New York	NY	10018	5	$10,913,000
Smart Mart Inc	Northern Blvd	Jackson Heights	NY	11372	3	$4,316,000
Soribel Fruit & Grocery	Cresskill Pl	Jamaica	NY	11435	2	$2,878,000
Source International Tech	E 156th St	Bronx	NY	10455	2	$2,809,000
South Gate Deli & Grocery	S Gate Dr	Poughkeepsie	NY	12601	7	$10,133,000
Springfield Market	Springfield Blvd	Queens Village	NY	11428	1	$1,439,000
State Park Grocery	Straight Path	Wyandanch	NY	11798	5	$8,350,000
Staten Island Pickle Works Inc	Targee St	Staten Island	NY	10304	6	$8,830,000
Steven's Deli & Grocery	7th Ave	Brooklyn	NY	11232	3	$4,285,000
Stina Provisions	Webster Ave	New Rochelle	NY	10801	6	$10,055,000
Sun Well Fruit Corp	Bay Pkwy	Brooklyn	NY	11204	1	$1,429,000
Sunshine Deli & Grocery	Brooklyn Ave	Brooklyn	NY	11213	3	$4,285,000
Syn-chriss Importer Wholesale	W 203rd St	New York	NY	10034	10	$21,826,000
T J's Market	State Route 17c	Barton	NY	13734	3	$3,642,000
Tami Great Foods Inc	Route 59	Hillburn	NY	10931	2	$3,436,000
Three Brother's Wholesale	Babcock St	Buffalo	NY	14210	2	$3,260,000
Tim Corp	15th Ave	College Point	NY	11356	2	$2,878,000
Titanic Market	5th Ave	Troy	NY	12180	2	$2,758,000
Tops Market	Genesee St	Lancaster	NY	14086	700	$1,140,657,000
Tostadas Hernandez	Union Ave	New Rochelle	NY	10801	2	$3,352,000
Tripi Cash & Carry	William St	Buffalo	NY	14206	13	$21,184,000
Triunfo Mini Market Inc	Ashburton Ave	Yonkers	NY	10701	1	$1,676,000
Tropical Market Ii	Heyward St	Brentwood	NY	11717	1	$1,670,000
United Food Ctr	Stuyvesant Ave	Brooklyn	NY	11233	2	$2,857,000
V I Grocery	Irving Ave	Brooklyn	NY	11237	2	$2,857,000
Varins Market & Deli	State Route 11	Ellenburg Depot	NY	12935	12	$16,583,000
Vineeta International Foods	Grant St	Buffalo	NY	14213	2	$3,260,000
Vivian Grocery Corp	Burke Ave	Bronx	NY	10469	2	$2,809,000
Vodegon Corp	Washington Ave	Brentwood	NY	11717	3	$5,010,000
Vtg Inc	Westervelt Ave	Staten Island	NY	10301	3	$4,415,000
Wakefern Food Corp	Prspect St Grnway Plz Grn	Yonkers	NY	10701	230	$385,441,000
Webster Deli & Grocery Store	Webster Ave	Bronx	NY	10456	3	$4,214,000
Weyne Hamar Market	N Salina St	Syracuse	NY	13208	4	$6,909,000
Woodside Grocery & Disc Inc	Woodside Ave	Elmhurst	NY	11373	2	$2,878,000
Yahir & Sisters Grocery Corp	Mclean Ave	Yonkers	NY	10705	1	$1,676,000
Yang Shing Trading Co	Grand Ave	Flushing	NY	11378	2	$2,878,000

Z Grocery Inc	Avenue Z	Brooklyn	NY	11235	2	$2,857,000
Burke Tommy Provision Co	Peach St	Catasauqua	PA	18032	17	$28,984,000
C & S Wholesale Grocers Inc	Hanoverville Rd	Bethlehem	PA	18020	4	$5,991,000
C & S Wholesale Grocers Inc	N Susquehanna Trl	York	PA	17406	4	$6,095,000
C & S Wholesale Grocers Inc	E Penn Ave	Robesonia	PA	19551	164	$226,855,000
C & S Wholesale Grocers Inc	Arsenal Rd	York	PA	17402	400	$609,487,000
C & S Wholesale Grocers Inc	N South Rd	Scranton	PA	18504	6	$8,772,000
Cash & Carry	Saltsburg Rd	Pittsburgh	PA	15239	4	$7,133,000
Field Harvest Inc	S Swanson St	Philadelphia	PA	19148	30	$50,349,000
G & E Market	Northampton St	Easton	PA	18042	1	$1,498,000
Giorgio Foods	Hilltop Rd	Temple	PA	19560	164	$226,855,000
Giorgio Foods Inc	Park Rd	Blandon	PA	19510	300	N/A
Giorgio Fresh Co	June Ave	Blandon	PA	19510	125	N/A
Gordon Food Svc Store	Peach St	Erie	PA	16509	16	$20,460,000
Gordon Food Svc Store	Clairton Blvd	Pittsburgh	PA	15236	27	$48,146,000
Gordon Food Svc Store	William Penn Hwy	Monroeville	PA	15146	22	$39,230,000
Gordon Food Svc Store	Urbano Way	Pittsburgh	PA	15205	22	$39,230,000
Gordon Food Svc Store	N Greengate Rd	Greensburg	PA	15601	22	$33,474,000
Gross Ery	Cheryl Ave	Mechanicsburg	PA	17055	6	$9,209,000
Intercontinental Distributing	Tabor Rd	Ottsville	PA	18942	4	$6,526,000
Jetro	Pattison Ave	Philadelphia	PA	19148	135	$226,571,000
Miller Distributing	S 4th St	St Clair	PA	17970	24	$33,961,000
Rosa Food Products	Grays Ferry Ave	Philadelphia	PA	19146	15	$25,175,000
Stamoolis Brothers Co	Penn Ave	Pittsburgh	PA	15222	8	$14,266,000
Tripi Cash & Carry	E 12th St	Erie	PA	16503	4	$5,115,000
Varano's Warehouse	S Oak St	Mt Carmel	PA	17851	7	$8,050,000
Wakefern Food Corp	E Germantown Pike	Norristown	PA	19401	4	$7,695,000
West End Market	2nd St	Cresson	PA	16630	19	$28,384,000
Jetro Cash & Carry Ent Llc	Kenwood St	Cranston	RI	02907	2	$2,745,000
C & S Wholesale Grocers Inc	Old Ferry Rd	Brattleboro	VT	05301	11	$12,514,000
Capital Candy Co Inc	Burnham St	Barre	VT	05641	125	$152,277,000
J & M Groceries	Archibald St	Burlington	VT	05401	1	$1,312,000
Food Bulk – Wholesalers (NAICS 42442001)						
Beveri Nutrition Llc	S Main St	New Milford	CT	06776	5	$8,603,000
Amayas Food Dist Llc	Whitehead Rd	Gwynn Oak	MD	21207	7	$11,863,000
Fyve Elements Llc	Preston Ct	Jessup	MD	20794	15	$24,622,000
Asian Plus	Littleton Rd	Westford	MA	01886	3	$5,176,000
T & R Wholesale Foods	Springfield St	Feeding Hills	MA	01030	25	$37,526,000
Yss Corp	Main St	Ashland	MA	01721	3	$5,176,000
Abbotts Lehigh Diaries	W Spicer Ave	Wildwood	NJ	08260	8	$13,275,000
Ati Provision	Jersey Ave	Gloucester City	NJ	08030	8	$13,835,000
For the Kids Llc	Division Ave	Millington	NJ	07946	6	$11,459,000
Mayab Happy Tacos	Florida Grove Rd	Perth Amboy	NJ	08861	8	$14,201,000
Miranda Country Fresh Foods	Springfield Rd	Kenilworth	NJ	07033	1	$1,866,000
New Rotikaa Foods Llc	Green St	Iselin	NJ	08830	8	$14,201,000
Sole Grano Llc	Pollitt Dr	Fair Lawn	NJ	07410	4	$7,738,000
Sunshine International Food	State Route 18	East Brunswick	NJ	08816	4	$7,101,000
Bronx's Uptown Whole	White Plains Rd	Bronx	NY	10466	4	$5,618,000
Dudley Poultry Co Inc	State Route 245	Middlesex	NY	14507	25	$31,597,000
Kountry Kupboard	State Route 20	Madison	NY	13402	5	$2,797,000
Sharp's Bulk Foods	State Route 289	Belleville	NY	13611	2	$2,578,000
Very Fine Resources	Parkville Ave	Brooklyn	NY	11230	8	$11,426,000
Wincrest Bulk Foods	Strain Rd N Rd	Munnsville	NY	13409	6	$8,389,000
Affinity Group Infusion	N Penn Rd	Hatfield	PA	19440	5	$9,619,000

Awesome Foods	E 4th St	Bridgeport	PA	19405	5	$9,619,000
Dean Foods Co	Hempland Rd	Mountville	PA	17554	20	$29,081,000
Larry Inver Wholesale Foods	N 2nd St	Philadelphia	PA	19123	3	$5,035,000
Pdc Warehouse Riverside	Beaver Dr	Du Bois	PA	15801	100	$130,583,000
R & R Provision Co	Pike St	Easton	PA	18045	4	$5,991,000
That Pierogi Place	Solomon St	Johnstown	PA	15902	1	$1,494,000
Tsr Specialty Foods	Roseytown Rd	Greensburg	PA	15601	5	$7,608,000
Northeast Military Sales	Sherwood Dr	Sterling	MA	01564	5	$7,377,000
Delicatessens – Wholesale (NAICS 42442003)						
Alexa Deli Meat Food Mkt Corp	18th Ave	Irvington	NJ	07111	2	$486,000
Job's Deli Corp	Clinton Ln	Hicksville	NY	11801	2	$3,546,000