

OUR FARM MILK PRODUCTS BUSINESS PLAN



Farm Milk and Processing Milk Products

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Description of Business

Our Farm Milk Products is a modern agricultural dairy using technology to extract milk from cattle. We process our milk into a variety of healthy products such as cream, butter, yogurt, ice cream, and cheese, as well as condensed milk, and powdered milk.

The Holstein dairy cattle are our preference for milk production. Optional dairy cattle in the United States include the Ayrshire, Brown Swiss, Guernsey, Jersey and Shorthorn.

Our aim is to provide consumers delicious, healthy and wholesome dairy products.

Objectives

1. Establish a cattle farm utilizing technology farming methods for milk production and processing.
2. Establish a milk processing plant for development of dairy products.
3. Establish a distribution system for dairy products.
4. Secure market share for logistical transportation of dairy products to customers.
5. Provide excellent customer service.

Customer Focus

Focus on listening to our customers. Give full attention to them.

Focus on helping our customers. There is a solution for every problem.

Focus on giving apathy to our customers. Give care to them all the time.

Focus on being prompt with customer needs. We need them.

*The LORD, the Mighty One, is God,
and he has spoken ...
For all the animals of the forest are mine,
and I own the cattle on a thousand hills.
Psalm 50:1,10 NLT*

Mission Statement

We will provide delicious, healthy and wholesome dairy products for healthy living, reduce poverty, and improve the quality of life everywhere on earth.

Keys to Success

In every stage of our milk products supply chain, we will monitor it for quality treatment of farm cattle, feed, milking process, distribution, logistics, retail and consumption. Licenses and permits will be obtained for operations. United States Department of Agriculture, state, county, city and other applicable government regulations for healthy dairy products will be achieved. We will exceed customer expectations.

Government Relations

The United States Government has an active role in regulating and assisting the United States dairy industry. Federal Milk Marketing Orders aim to provide an orderly system of classified pricing and pooling of milk from the farm. Under the Agricultural Improvement Act of 2018, it authorizes the Office of Partnerships and Public Engagement to improve the viability and profitability of small, beginning, and socially disadvantaged farmers and ranchers. It also focuses on promoting young people in agriculture, and creates a commission to study how the United States can be best positioned to help feed 9 billion people by 2050.

Human Resources

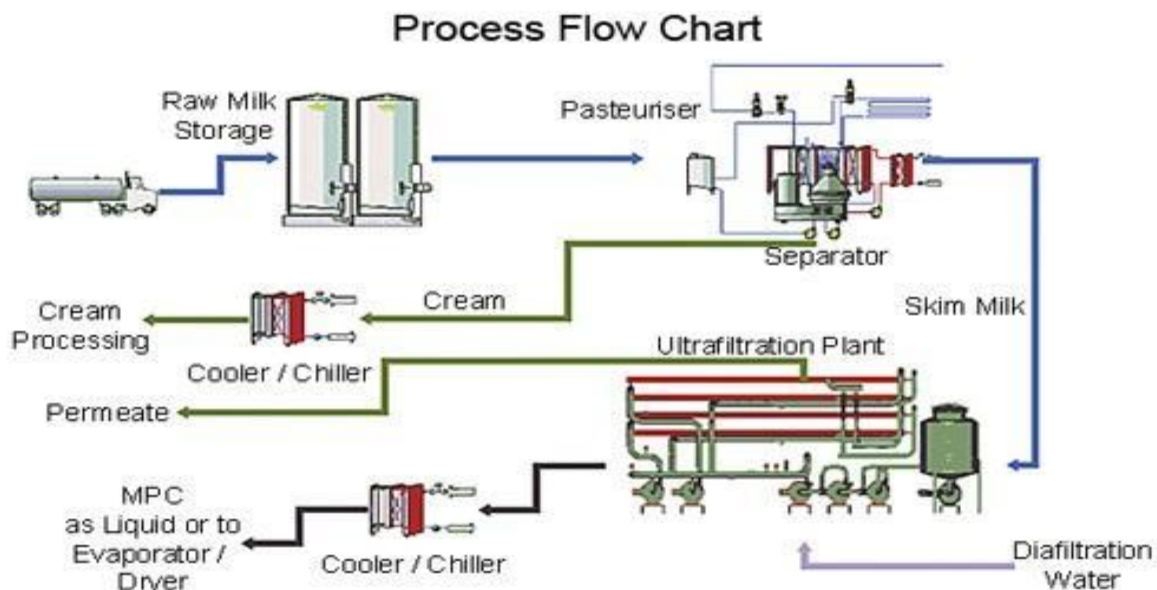
Farm Employees	Number
General: Cleaning, tractor driving, handiwork	2
Livestock Worker: Tending to livestock	4
Crops Worker: Plough, plant and harvest crops	2
Maintenance: Farm basic maintenance and repair	1
Farm supervisor	1
Animal veterinarian	1
Processing Plant Employees	Number
Sanitation Worker/Janitor	2
Dock and General Worker	2
Truck Driver	4
Maintenance Worker	1
Process Operator	3
Secretary/Clerk	1
Administrative Assistant	1
Processing Plant Supervisor	1
Lab technician	1
Manager	1
Chief Operating Officer	1
Total Employees	29

Total Annual Payroll

Year 2021	\$723,840
Year 2022	\$723,840
Year 2023	\$865,280
Year 2024	\$865,280

Pasteurization

In 1863, French chemist and biologist Louis Pasteur invented pasteurization, a method of killing harmful bacteria in beverages and food products. He developed this method while on summer vacation in Arbois, to remedy the frequent acidity of the local wines. He found out experimentally that it is sufficient to heat a young wine to only about 50–60 °C (122–140 °F) for a brief time to kill the microbes, and that the wine could be nevertheless properly aged without sacrificing the final quality. In honor of Pasteur, the process became known as "pasteurization". Pasteurization is used with milk products to ensure a healthy food source for human consumption.

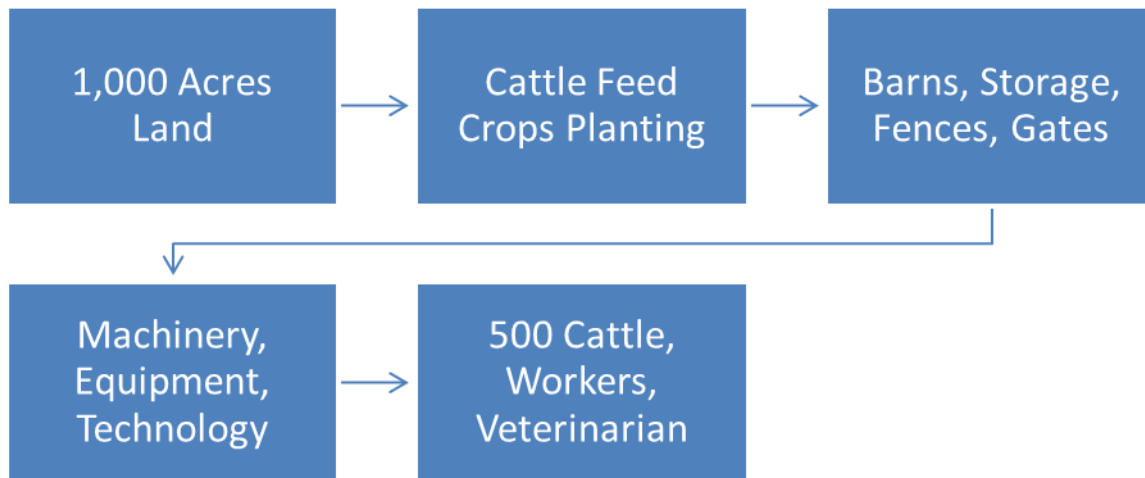


<http://www.ticomachine.com/complete-line/milk-processing-plant.html>

Homogenization

Milk often is homogenized, a treatment that prevents a cream layer from separating out of the milk. The milk is pumped at high pressures through very narrow tubes, breaking up the fat globules through turbulence and cavitation. The exposed fat globules are vulnerable to certain enzymes present in milk, which could break down the fats and produce rancid flavors. To prevent this, the enzymes are inactivated by pasteurizing the milk immediately before or during homogenization.

Farm Acquisition Order

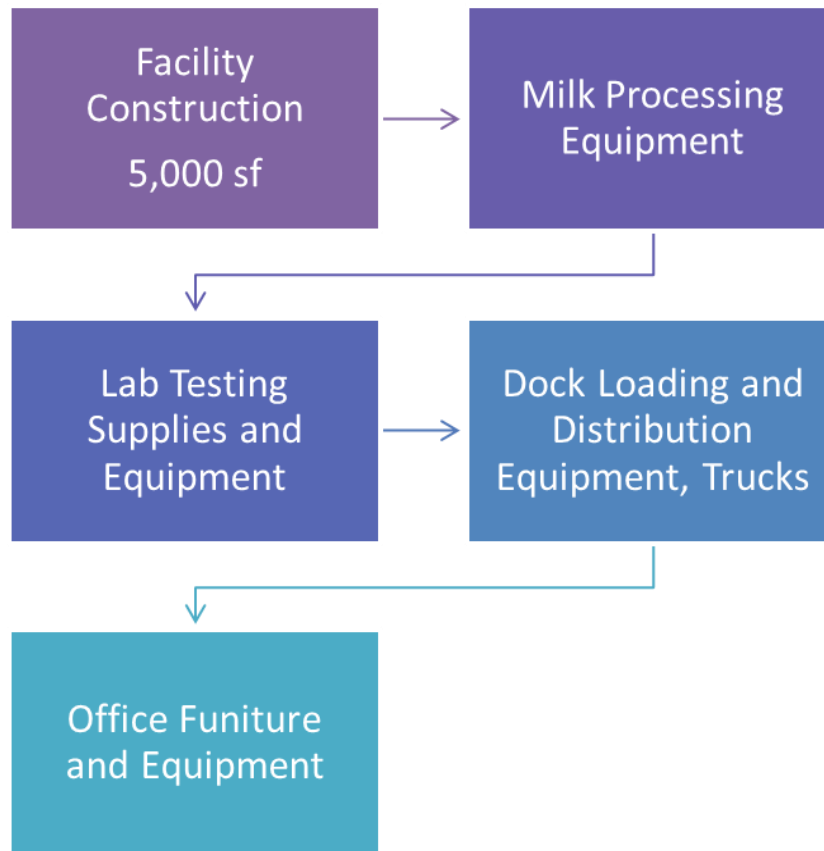


Modern technological dairy farming has advantages over traditional farming. The traditional non-technological methods of farming are a disadvantage. From the land to crops, to machinery, to cattle, and fencing, technology is necessary to manage the logistics of large amounts of milk. According to the National Institute of Food and Agriculture, technologies such as robotic systems, temperature and moisture sensors, aerial images, and GPS technology allow businesses to be more profitable, efficient, safer, and more environmentally friendly. Technology used in crops planting and harvesting, farm and animal care, feeding cattle and milking them has proven to increase productivity and quality. There is greater control and security over investments. Technology allows the farmer to work smarter without the traditional labor intensity.

*Trust in the LORD with all your heart; and lean not unto your own understanding.
In all your ways acknowledge him, and he shall direct your paths.*

Proverbs 3:5,6 NKJV

Processing Plant Acquisition Order



Our Farm Milk Products milk processing plant will transform raw milk from the farm into finished consumer products for the retail industry, including fluid milks and creams, yogurt, butter, ice cream and cheese. Also, we will be capable of processing fruit juices for consumers.

Community Benefits

- A. Increased community value with processing plant facility.
- B. Investor profit sharing opportunity.
- C. Self-employment and business development opportunity.
- D. Quality of life community programs and scholarships.
- E. Poverty reduction.
- F. Enhanced healthy living for infants, children, teens and adults.
- G. Opportunity for non-profit organizations and schools fundraising.
- H. Economic empowerment.

TIMELINE **Our Farm Milk Products**

2019		Building
Aug-Dec	Presentations Organizations, churches, colleges, schools	Milking Equipment Vehicles acquisition
Sep	Local bank partner	2021
Sep-Dec	Gain Investors	Build market trust Give-a-way samples
Sep	Licenses in process	Operation
Sep-Dec	Identify customers	Training and development
2020		Build customer base Build Investor Self- employment base
Jan-Dec	Presentations Organizations, churches, colleges, schools	Engage with the community
Jan-Mar	Gain Investors	Partner with government agencies, organizations, etc.
Apr	Investor Organization and Groups	2022
Apr	Human Resources Employees orientation, training and development	Marketing Customer relations Operation
Apr	Farm Land acquisition Prepping, plowing and seeding	Training and development SMART Grow
May-Aug	Buildings: Barns, storage, equipment	2023
Aug	Fences and gates	Marketing Customer relations
Sep	Cattle acquisition Cattle identification Calves milk testing	Operation
Apr-Oct	Processing Plant	Training and development SMART Grow
		2024
		Marketing Customer relations Operation Training and development SMART Grow

Start-up Farming and Processing Plant Costs

DISCRIPTION	UNIT AVG.	AMOUNT
500 Cows	\$1,400/cow	\$700,000
1,000 Acres Land	\$2,500/acre	\$2,500,000
Barns: 15,789 sf	\$95/sf	\$1,500,000
Milking System Technology, 200	\$2,000 ea	\$400,000
Processing Facility 5,000 sf	\$195/sf	\$975,000
Milk Processing Equipment	set	\$1,480,000
5 Tables, 5 stools, 12 chairs	set	\$1,775
2 desks/2 chairs plant supervisor and clerk	set	\$850
Administrative Office furniture: 5 desks; 12 desk chairs; 1 meeting table; 10 chairs; 5 computers; 1 security system, 5 phones	set	\$11,500
3 vehicle trucks, 3 milk tanks, 4 spare tires, 2 spare batteries	set	\$352,000
Working Capital		\$950,000
TOTAL		\$8,871,125

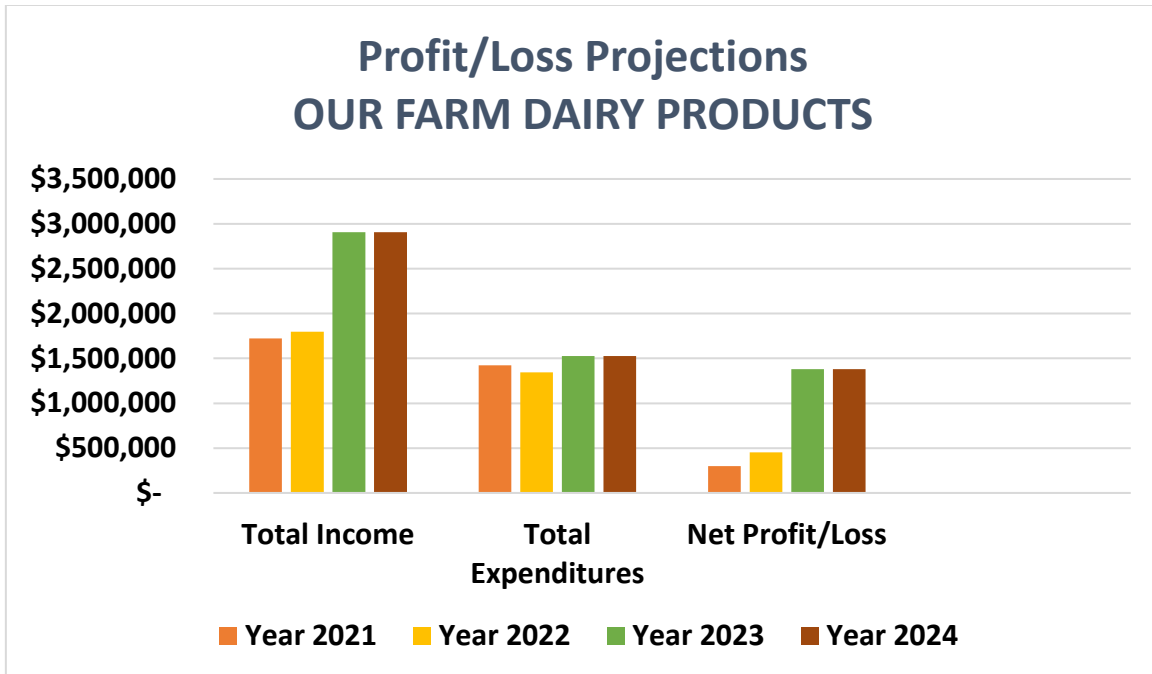
This example explains the cost of purchasing our assets with working capital.

Prices

Description	Price	Unit
Base Milk	\$ 1.98	gal
Skim Milk	\$ 0.90	gal
Butter	\$ 2.36	lb
Nonfat Dry Milk	\$ 1.04	lb
Cheese	\$ 1.80	lb
Buttermilk	\$ 2.00	gal
Ice Cream	\$ 5.00	gal
Flavor Milk: Chocolate, Strawberry,	\$ 3.00	
Honey		gal
Fruit Juices	\$ 5.50	gal
Bottled Water	\$ 3.10	cs

Prices based on USDA Announcement of Prices and Pricing.

Taste and see that the LORD is good; blessed is the one who takes refuge in him.
Psalm 34:8 NIV



	YEAR 2021	YEAR 2022	YEAR 2023	YEAR 2024
Total Income	\$ 1,723,691	\$ 1,796,973	\$ 2,905,085	\$ 2,905,085
Total Expenditures	\$ 1,424,408	\$ 1,343,408	\$ 1,526,136	\$ 1,526,136
Net Profit/Loss	\$ 299,283	\$ 453,565	\$ 1,378,949	\$ 1,378,949

Distribution of Projected Profits

50% of net profits be disbursed to investors.

20% of net profits be reinvested in Our Farm Milk Products

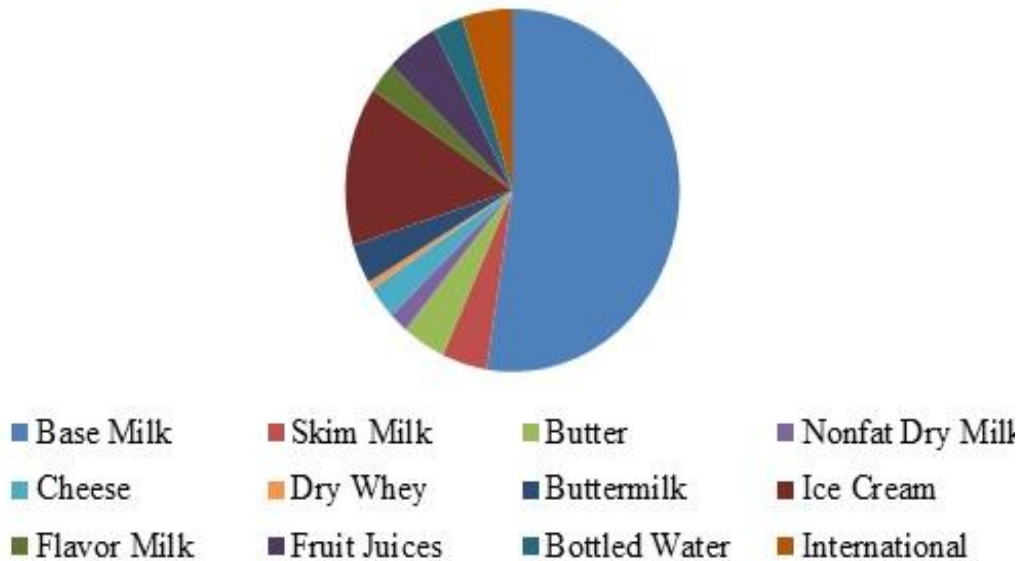
20% of net profits be invested in community programs and scholarships.

10% of net profits be distributed to employees as bonuses.

And God is able to bless you abundantly, so that in all things at all times,
having all that you need, you will abound in every good work.

2 Corinthians 9:8

Products Projected Sales/Income OUR FARM MILK PRODUCTS



The pie chart depicts figures based on years 2021-2024 projected sales/income. Most dairy cows are milked two to three times per day. On average, a cow will produce six to seven gallons of milk each day. So, 500 cows should produce about 3,000 gallons raw milk per day. By 2023, an increase to 700 cows should produce 4,200 gallons raw milk per day. The milk is processed into various dairy products. The pie pieces are based on United States Department of Agricultural Announcement of Prices and Pricing Factors.

*If the LORD is pleased with us, he will lead us into that land,
a land flowing with milk and honey, and will give it to us.*
Numbers 14:8 NIV

INCOME, EXPENDITURES, PROFIT/LOSS

Dairy Science Education

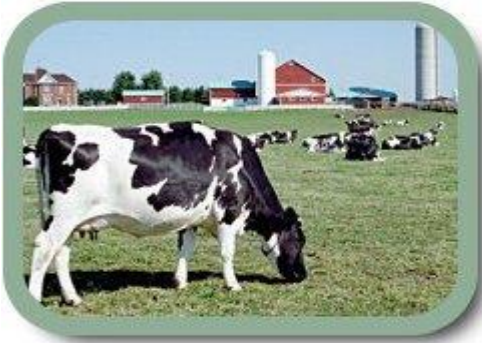
Degree and/or certificate education programs administered by schools and colleges in dairy science include the following courses:

- Dairy Herd Management
- Dairy Cattle and Mammary Health
- Milking Management
- Reproductive Physiology
- Cattle Nutrition and Feeds
- Quality Forage Production
- Milk Processing Operation
- Milk Products Development
- Milk Lab Testing
- Dairy Customer Service
- Sanitation
- Small Business Management, Record Keeping, and Marketing
- Building and Free-stall Design

Dairy farm training allows students a unique chance to gain hands-on opportunities working with dairy cows and to learn management practices first hand. Industry guest speakers would share real life experiences with students.

Holstein cows grazing and Dairy cows at the feeding trough

Source: Texas Cooperative Extension, photo by Dr. Ellen Jordan, 2007



Milk Processing Equipment

<http://www.ticomachine.com/complete-line/milk-processing-plant.html>



Marketing Plan Template

Competition	
Market Share	
Strategy	
Promotion	
Control	

CONTACT

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*Now all glory to God, who is able, through his mighty power at work within us,
to accomplish infinitely more than we might ask or think.*

Ephesians 3:20 NLT

Appendix (4)

SURVEY

Please take a few minutes and complete this survey on Our Farm Milk Products. On a scale of 1 to 5, what do you think? Check your choice:

1: Not good 2: Little chance of success 3: No Opinion
4: Good, but needs some changes 5: Good to go

1. Do you think this business will benefit our community? [1] [2] [3] [4] [5]

2. Are the objectives applicable to this business? [1] [2] [3] [4] [5]

3. Are the prices reasonable for Our Farm Milk Products? [1] [2] [3] [4] [5]

4. Is this plan applicable for a dairy farm and processing plant? [1] [2] [3] [4] [5]

5. Please share additional information about Our Farm Milk Products:

Resources

Animal Products for Dairy

<https://www.ers.usda.gov/topics/animal-products/dairy/>

Business Educator, Cornell Cooperative Extensions of Jefferson and Lewis
Counties February 25, 2017

Feasibility of On-farm Milk Processing, Packaging, and Marketing for Tennessee
Dairy Farmers
<https://www.ers.usda.gov/>

Food and Drug Administration Industry Guide
<https://www.fda.gov/regulatory-information/search-fda-guidance-documents/guidance-industry-food-security-preventive-measures-guidance-dairy-farms-bulk-milk-transporters-bulk>

Food Safety Modernization Act (FSMA)
<https://www.fda.gov/food>

Holstein cows grazing, 2007; Dairy cows at the feeding trough, 2007
Source: Texas Cooperative Extension, photo by Dr. Ellen Jordan

Milk Food Product for Humans
https://en.wikipedia.org/wiki/Milk#Food_product_for_humans

Milk Processing Equipment
<http://www.ticomachine.com/complete-line/milk-processing-plant.html>

Raw Milk and Pasteurized Milk
<https://search.usa.gov/search?query=milk&affiliate=fda1>

Starting Your Own Dairy Farm
<https://www.cias.wisc.edu/starting-your-own-dairy-farm/>

The Holy Bible, NIV, NKJV, NLT

The Ohio State University, Department of Animal Sciences, Animal Science
Building, 2029 Fyffe Road, Columbus, OH 43210 Phone: 614-292-6401

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