

Business Plan
For a

Farmstead Cheese Business

Using Kerry Cattle



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Section I. Executive Summary

This plan will outline the strategy and financial needs for a start-up farmstead cheese business in Central New York. The primary owner and cheesemaker is Shannon M. Nichols. Her husband, David A. Nichols, is the owner of the dairy from which the milk will be sourced for this enterprise. He will also act as business partner. The business currently is a sole-proprietorship. It will become a Limited Liability Company (LLC), as advised by accountant and lawyer. David and Shannon Nichols will be the only owners.

The primary goal of the Farmstead Cheese business is to provide an on-farm income source for Shannon Nichols. This business will also provide some stability to the milk price that the dairy business currently receives for its commodity fluid milk. The dairy and cheese business will be operated as separate businesses, with the cheese business paying the dairy for the milk that it uses at a rate of \$20/can or \$23.25/hwt

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Section II. Business Concept, Mission & Goals

Farmstead Situation

David and Shannon Nichols use to process their own milk in Massachusetts. They are familiar with the routines and needs of an on-farm dairy processing operation. The plan is to keep the full-time off farm job until the cheese operation makes 2/3-3/4 of that income. The cheese operation must also pay for health insurance for the family.

David is not expected to be a key player in the physical processing of milk into cheese. His role will be as dairy farmer and conservator of Kerry cattle. If time and interest allows, he may be interested in developing a dairy product, but that is not immediate and will probably be seasonal.

Shannon currently uses the Dairy Incubator at the Morrisville State College campus to process cheeses. She is working under their licenses and will continue to process fresh cheeses there until cash flow warrants the purchase of a vat pasteurizer for the home dairy processing facility.

The home plant will be used to process raw aged cheeses. They will be aged for a minimum of 60 days, with most cheeses needing 3-6 month affinage for optimum taste and flavor.

A quality control program will be developed looking into the possible contamination points of both fresh and aged cheeses. She will consult with Inspectors and Industry experts to develop a plan that takes these quality control points and potential product recalls into consideration (note HACCP).

Stage of Development

The farmstead cheese business is in the start-up phase and will slowly expand as marketing and cash flow allow.

General Growth Plan Description

Phase One

- Research & Development
- Retrofit Milkhouse;
- Obtain lactating dairy quality Kerry cows
- Obtain equipment needed to produce raw aged cheese on the farm;
- Continue to pasteurize milk at incubator for fresh (cash-flow) cheeses;
- Purchase aging and cut&wrap supplies necessary to meet Ag & Market needs.

Phase Two

- Pay down year one debt;
- Purchase additional Kerry females to expand capacity.
- Expand production to meet capacity of existing facility.
- Outline wholesale/retail production/marketing needs.

- Develop financial strategy to implement wholesale/retail production/marketing needs.

Phase Three

- Purchase pasteurize vat and larger – automated cheese vat, install;
- Build retail farm store;
- Purchase wholesale packaging equipment.

Phase Four

- Pay down debt;
- Expand production to meet capacity.

Phase Five

- Pay down debt;
- Review product diversity to focus on more on-farm retail sales of cheese;
- Explore value-added opportunities to balance cheese sales.

Facility Requirements

Currently cheese is being processed at the Dairy Incubator at Morrisville State College. Milk is pasteurized in a 150 gal duo-vat and then further processed into cheese in either the steam kettle, one of two 50 gal. Damrow lab vats or the same duo-vat that milk is processed in.

The facility has been a great location for hosting cheese classes (spreading cost of consultant) and in product development. The mission of the dairy incubator is to assist people in the development of a product, not co-pack or rent out for processing. Their contract typically has a 6-month processing time-line for people to start to build or look for additional facility space for processing a salable product.

Limitations to using the Dairy Incubator include:

- Lack of aging facilities. There is a walk-in cooler, but the temperature and humidity are perfect for fluid milk, not aged cheeses.
- Customers can only make pasteurized dairy products. While raw-aged cheeses are allowable under state and federal laws, the college has a policy that does not allow customers to process or sell raw products made in that facility.
- Transporting milk to the facility is limited to 5-40 qt. milk cans, or 50 gallons. While this is a good amount to work with while doing research and development, it is not enough volume to start to make any profit for a process day.
- As on-farm processing increases in popularity, so does the dairy incubator. Scheduling a consistent weekly process day can be daunting at times, especially during the ice-cream season and when the college first starts a semester.
- The walk-in cooler is shared by many customers, including the college. This often leads to shared cheesecloth, molds, rennet and other supplies. While the plant manager is diligent about sanitation, there is a possibility of cross-contamination and loss of supplies.

- While I am allowed unlimited time to do research and development, customers are only allowed 6 months to process a salable product. While I have a verbal agreement to process longer, it is ideal not to push my limits with the facility.

Raw Milk Ingredient Requirements

Source of Milk

The farmstead cheese operation is separate from the dairy operation. It will pay the dairy a flat \$23.25/hwt for the milk once a month. The herd is a grass-based herd of purebred registered Kerry Cattle. The cows average 6,700#/year. The herd is in process of being enrolled in NYSCHAMP.

Balancing Milk volumes

Currently, Dave ships his milk to Dairy Cooperative. This is a cooperative out of New England. Dave will eventually stop shipping to Dairy Cooperative and expand Heritage Veal sales to balance milk processing. The field rep, Joe Big is fully aware of the plans and supports us.

Products using skim or cream

All cheeses made will be whole milk cheeses. I will not have to develop products to use the skim or cream.

Whey, as a by-product of the cheese processing facility will be stored and either field spread or distributed to homesteaders who keep pigs or poultry. The later option will be no more that the homesteaders coming with their own receptacles for handling the whey and draining it into them to transport back to their farm. The primary plan will be field spreading, with the homesteaders being a courtesy option.

Waste Water Our waste water will go by the same route as the dairy waste water, so it is imperative that ALL whey is collected as disposed of in the above manners.

Pigs and poultry are often raised for home consumption, but there will be too much whey for them to consume entirely.

Personal and Business Mission Statement

To develop, produce and sell farmstead cheeses from Kerry milk that taste great. The business must be viable, sustainable and provide enough income so both partners can stay on the farm full-time.

Goals and Objectives

The strategy of Heamour Farm's Farmstead Cheese Project is described by the continuum of the following tasks (not necessarily in this order):

- Complete a business and management plan for a farmstead cheese business;
- Develop a financial package and identify all key players;
- Create a marketing infrastructure, including the development of marketing agreements with distributors;
- Secure funding for all phases of business development;
- Secure necessary permits and licenses;
- Construct facility;
- Complete R&D for high-end and cash-flow cheeses;
- Process, age and sell cheese

Short Term Objectives:

- To retrofit existing milkhouse on our dairy farm. The facility will house a smaller milkhouse for our dairy herd, as well as a small (13'6" x 14'2") cheese processing plant.
- To develop an on-farm store to take advantage of retail prices for cheese.
- To start a marketing/sale campaign to sell enough cheese to reach our yearly marketing goals.

Long-Term Objective:

- To build an additional building with cheese cave/cellar and cut&wrap/kitchen.
- To eliminate debt associated with start-up of cheese business.

Section III. Background Information

The Industry

Cheese consumption has increased in the past 30 years from 11.3# annual consumption per person to 31.2# annual consumption per person. Per capita consumption is expected to continue to grow to 37.5# by 2009. This increase is due, in part, to consumer's desire for new cheese varieties in convenient forms and packages. Consumers are willing to try new varieties of cheese and pay a premium for them.

Retail sales of specialty cheeses reached almost \$2.4 billion in 2000. This is an increase of 4% over 1999 sales. A 4% growth rate of specialty cheese sales is expected to grow over the next 5 years to nearly \$2.9 billion by 2005. This would represent an increase of 22% over 2000 sales.

WI and CA are the largest specialty cheese producing states. WI produces about 350 varieties, types and styles of cheese. They house 126 cheese plants, producing 27.1% of the nation's cheese supply. WI is followed closely by CA.

CA produces 17.4% of the nation's cheese supply. 54 cheese plants produce 130 varieties, types & styles of cheese. While this shows their reliance on large factories, farmstead cheeses are in high demand from chefs in San Francisco and the Napa/Sonoma valley area. The staggering growth of industrial cheesemaking in CA is going to continue, especially in the production of Hispanic cheeses – which they the largest producer of.

The Niche

With increased awareness of the concept of terrior, a niche within a niche has developed to provide farmstead cheeses from heritage dairy breeds. Many of the breeds on ALBC's conservation priority list are traditional cheese or butter breeds. This is due, mainly to the shift from farmstead cheese and butter production to shipping milk on refrigerated rail cars at the turn of the last century. When fluid milk became king, breeds that were specialists in this kind of production became more popular, making those breeds suited to cheese and butter production less favorable for commercial dairy farming.

Farmstead and artisan cheeses (and other dairy products) are increasing in popularity. This is due, in part, to the consumer's interest in raw milk cheeses and in foods that are counter to the commodity foods produced today. Grant giving bodies, Departments of Agriculture and educational institutions have been promoting On-Farm Dairy Processing as an alternative sustainable farming option for today's dairy farmers.

Heritage breeds offer better yields, efficient feed conversion from grass based management systems and their milk provides specific flavors that enhance the products being made from them. While many cannot compete in fluid production and sales, they are ideally suited to cheese, butter and other dairy products that are traditional to that breed.

The reality of on-farm processing is that it will offer one or two members of the farm “family” an income source and will help stabilize the market price for their commodity milk. Cheese production at this scale is labor intensive, yet markets are ready to pay well for these cheeses that are produced in a more “traditional” way. Note SlowFood USA’s Arc of Food at www.slowfoodusa.org . Raw milk artisan and farmstead cheeses are on the list of foods.

While NY was the home of the first cheese factory (Rome), there are only a handful of farmstead/artisan cheese plants in the state. They do not come close to satisfying the needs of the chefs and consumers in the state, especially in NYC. A farmstead cheese operation that makes raw milk aged cheeses in NY has unlimited marketing opportunities into NYC (Murray’s Cheese house in particular) and to the Finger Lakes Winery’s. As the manager of one Winery in Ithaca said, “as long as it tastes great and is from NY, we’ll take it. Our customers have been asking us for a NY cheese that tastes great.”

Section IV. Organizational Matters

Business Structure

The primary owner and cheesemaker is Shannon M. Nichols. Her husband, David A. Nichols, is the owner of the dairy from which the milk will be sourced for this enterprise. He will also act as business partner. The business currently is a sole-proprietorship. It will become a Limited Liability Company (LLC), as advised by accountant and lawyer. David and Shannon Nichols will be the only owners.

Government Regulations

The initial plan is to process at the Dairy Incubator. This is an agreement between Shannon Nichols and Jim McFadden, Facilities Director for Morrisville Auxiliary Corporation. All cheeses processed at the facility will come under their inspection. Product samples, protocol and cleanliness are to be done in accordance with their rules and regulations.

Cheese processed at the home farm will become the responsibility of Shannon Nichols. Paperwork is in process and a New York State inspector has been overseeing construction and management. Upon completion of requirements a separate plant number for the facility will be issued.

All paperwork needs to be sent in monthly to New York Ag & Markets and the Northeast Federal Order. This outlines monthly production. A check off fee is assessed to handle national marketing as outlined by law.

Management Issues

Shannon Nichols will act as Manager and Cheesemaker of the Farmstead Cheese operation. Responsibilities will include:

- Maintain all regulatory paperwork;
- Make high end cheeses from the farm milk;
- Maintain inventory of aging cheese;

- Develop marketing plan and sales strategy;
- Implement Marketing plan and sales strategy;
- Keep high level of cleanliness in the dairy plant and aging/cut&wrap facility;
- Maintain supplies;
- Do bookkeeping on a regular basis

David Nichols will act as Dairy Farmer. His responsibility will be to supply the cheese operation with the best quality Kerry milk that he can produce. He will also offer auxiliary support as needed.

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Advisory Team:

John P. Money
Loan Officer
Farmers Favorite Bank
Rte 12
Utopia, NY 13XXX

Allwais Winn
Attorney
Winn, Sahm, and Loos Law Firm
Rte 41
Liberty, NY 13XXX

Sandy Penney
CPA
Main Street
Utopia, NY 12XXX

James Monger
Food & Cheese Consultant
Main Street
Putney, VT 05XXX

Managing Human Resources

There are no plans to hire any full-time staff. Interns may be hired in the future. Production capacity will be limited to what Shannon can do on her own.

Risk Management

Debt

The farm does not have a mortgage. David and Shannon Nichols will not borrow more than can be reclaimed from the sale of livestock and equipment. Growth will be slow and dependent on current debt load.

Insurance

A \$1.2 million Liability Insurance policy is maintained for the cheese business. This is on top of the Umbrella Farm coverage for the farm. To further reduce personal liability, the business will become a LLC, as advised by lawyer and accountant.

Section V. The Marketing Plan

Products Description

Fresh Cheese

Crowdie Is a traditional celtic cheese. It was commonly made in crofts in Scotland. It resembles cottage cheese and other lactic cheeses in flavor. This will be sold in 8 oz and 2# tubs.

Aged Raw Milk Cheeses

Dunlop is a Scottish style cheddar. It has a softer paste and a wonderful buttery flavor. Generally aged 6-9 months and made in wheels averaging 22#.

The Dunlop was developed by Barbara Gilmour in the Ayrshire District of Scotland in 1688. She learned how to make this cheese while living in Ireland during the revolution. This was the first “whole meal” cheese made in Scotland at the time.

Barbara was interested in teaching her neighbors how to make this cheese. Through the process of making and selling the cheese, the cattle in the region went from a Celtic black style animal to what is now the Ayrshire cow.

Features/Benefits

Marketing of Heamour Farm cheeses has been done based on the consumer interest in a local or regional product that tastes great and makes them feel good about purchasing the product. While there has to be a significant amount of consumer education, educated consumers that are concerned about the environment, sustainable agriculture, conserving rare breeds and preserving traditional foods are the primary focus. It is believed that the product mix and management techniques will set Heamour Farm apart from most of their competitors.

Life Cycles/Seasonality

Cheeses will be available year round. Processing of certain varieties will vary depending on season. Please view the table below to determine availability:

Variety	Production Season	Available to Purchase
Crowdie	Year Round	Year Round
Dunlop	Year Round	Year Round

The Market Analysis

Customer Analysis

Initial inquires have been done at the Hamilton Farmer’s Market, a regional Slow Foods event, local restaurants, friends & family and previous customers when we processed fluid milk. The marketing plan and promotional program will be developed through the

first 6 months of business. Two different grant programs have been identified to take advantage of the development of this aspect of the business. For the sake of projections, I have accounted for roughly 10% of gross sales with minor tweaking based on opening of farm-stand and other events.

Originally we planned on 50% of sales being via direct marketing to local customers. This would be through a farm store and via regional Farmer's Markets. We already have cheese in stores and restaurants in Hamilton, Cazenovia and Ithaca. Starting July, 2005, sales will be expanded significantly.

In the beginning, we had tentatively approached restaurants. It is important to have a consistent product to market to them. As I had not been able to get consistent processing days, I had been hesitant to approach this potential customer. I have also brought cheese to the Finger Lakes Winery's and to restaurants in Ithaca. We had a very good reception.

Competative Analysis

National

WI and CA are the largest specialty cheese producing states. WI produces about 350 varieties, types and styles of cheese. They house 126 cheese plants, producing 27.1% of the nation's cheese supply. WI is followed closely by CA.

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Regional

Currently Beatrice Berle sells **Crowdie** into stores in the marketing region outlined in this plan. Their product not made in large quantities and is sold very regionally. She does have a very traditional recipe, but she also sells a lot of other traditional British hard cheeses as well as Camembert.

Argyle CheeseFarmer is the only one in NY that makes **Dunlop** cheese. Shannon showed the cheese maker how to make this cheese. Her dairy has holstein cattle and they make a number of other cheeses as well. It is a lovely version of the cheese and retails for \$22/#. Our cheese is different enough and there is market enough for this cheese in our market region.

Market Potential

Current Trade Area

Year One

Product will be sold locally as well as into the Finger Lakes/Ithaca marketing area. It is expected that 75% of sales will be wholesale and 25% will be retail for the first 4 years.

Year Two

Marketing will be extended into the Rochester/Buffalo marketing areas. Initial marketing will also be done into Albany via a distributor.

Year Three

Product will be sold into the Hudson Valley/Catskill marketing areas via a distributor. Strategic marketing into NYC will be done with all but the fresh mozzarella.

Year Four

NYC will be explored to their fullest extent. Fresh Mozzarella will be dropped from the product line except for off-farm and eCommerce sales.

Year Five

Focus on more eCommerce and Retail sales of the farm.

Market Size and Trends

Cheese consumption has increased in the past 30 years from 11.3# annual consumption per person to 31.2# annual consumption per person. Per capita consumption is expected to continue to grow to 37.5# by 2009. This increase is due, in part, to consumer's desire for new cheese varieties in convenient forms and packages. Consumers are willing to try new varieties of cheese and pay a premium for them.

Retail sales of specialty cheeses reached almost \$2.4 billion in 2000. This is an increase of 4% over 1999 sales. A 4% growth rate of specialty cheese sales is expected to grow over the next 5 years to nearly \$2.9 billion by 2005. This would represent an increase of 22% over 2000 sales.

Sales Volume Potential (Current and Growth)

Wholesale Accounts

Current sales are for 4128# cheese annually or 21% of production goal of 20,000# cheese annually. Marketing is time consuming with Shannon doing all of the work. Currently, she only adds 2-3 new accounts per week. Reorders from current accounts are at 80% with initial marketing program coming at a seasonal change for Finger Lakes Wineries. Half of those are closed or reduced orders for the fall/winter season.

Existing accounts are interested in the raw aged cheeses. Sales of those cheeses are expected to double annual sales to existing customers. Current goals are for wholesale accounts to make up no more than 10,000# of cheese/year (or 50%). This is expected to happen by year three/four.

Retail Sales

Direct to consumer sales have been largely ignored due to lack of time. They account for 15#/week sales currently. When wholesale accounts can replace current income,

Shannon will be able to quit the job and focus on direct to consumer sales of cheese. The goal is to establish an on-farm store combined with an eCommerce web site and local Farmers' Market attendance.

Farmer's Markets in Hamilton, Cazenovia and Clinton have been attended irregularly in the past. Staff will be hired to ensure a complete attendance at all markets in year three. Based on past experience, sales are expected to be 125# of product/week or about 20% of total production goals.

The ability to sell via an eCommerce site will depend on winning national and international awards. Nothing is sold this way currently. Sales are not expected to be more than 10% of annual production goals by year four.

The on-farm store is to offer the ability to balance other sales. It is expected that sales will only represent 15% of total production.

Production Potential

Based on herd goals established by David Nichols:

25 cows at 22#/day for 305 days = 167,500 lbs milk produced total.

With most cheeses at between 9-16% yield (average 10%), maximum production of cheese based on maximum milk produced on the farm is: 16,750# cheese.

Based on capacity of existing 50 gal. vat with cheese processed 6 days/ week:

$50 \text{ gal} * 8.6\# = 430\# \text{ batch} * 6 \text{ batches} = 2580\# \text{ milk/wk}$

$2580\# \text{ milk/wk} * 12\% = 309.6\# \text{ cheese}$

$309.6\# \text{ cheese} * 50 \text{ weeks/yr} = 15,480 \# \text{ cheese per year.}$

Marketing Strategies

Regional distribution of product will be done by Shannon Nichols. Eventually, she will establish a relationship with a number of distributors into various marketing areas. Ideally, marketing will be done by Shannon and sales will be done by the distributor.

New York will be broken down into Urban metro areas. High-end restaurants, natural food stores and markets will be identified. Product samples, literature and initial personal contacts will be made by Shannon Nichols. After a particular urban marketing area is established, Shannon will move onto the next area.

A weekly print-out of individual store orders will be requested with follow-up calls and store/restaurant visits made periodically. It is especially important that the product is delivered to the store in good shape and that the product is presented in a way that makes it appealing to the consumer.

Stores that are not selling product at their potential will be contacted to see if they are interested in demonstration days, product sampling and point of purchase sales material. A list of "Places to find our Products" will be posted on a web site and a blog with daily "happenings on the farm" will be advertised. This will help stores and restaurants a way to educate consumers about the farm, management of animals and to see what goes into our day.

Recipes using Heamour Farm cheeses will be developed for food service and direct consumers. Experience has shown that people are more willing to purchase these cheeses if they know what to do with them.

Section VI. The Financial Plan

Managing Books and Records

Accounts will be maintained using QuickBooks. Shannon and David will maintain the books. Sandy Penney, CPA will evaluate books twice a year.

Ag & Markets have a series of laws pertaining to maintenance of records. Monthly production reports have to be sent to Ag & Markets and the Marketing Administrator. Failure to send in these records will result in a fine and loss of license.

Budgets and Assumptions

Year One Start-Up Needs

<u>Retrofit Milk house</u>		<u>Equipment & Supplies*</u>	
Build Wall	\$ 350.00	50-gal Damrow cheese vat	\$5,500.00
Poly-Max (glass-board) walls & ceiling	\$ 450.00	shipping	\$ 250.00
Plumbing	\$ 300.00	Installation	\$ 500.00
Electrical	\$ 300.00	Press – custom made	\$1,500.00
Move bulk-tank	\$ 500.00	SS Table (used)	\$ 350.00
Bigger Opening Outdoors	\$ 400.00	SS Rack for supplies & draining	\$ 350.00
Hand-wash Sink	\$ 125.00	Sanitary Pump	\$ 800.00
Papertowel Dispenser	\$ 15.00	Box Fan	\$ 30.00
Single bay Wash tank 18" w/ legs	\$ 286.00	Weights	\$ 50.00
Floor drain (incl. Labor & cement)	\$ 250.00	Cheese cloth \$7/yd. * 20 yds.	\$ 140.00
Sealed-energy efficient bulbs	\$ 50.00	Rectangular Molds (Jacques)	\$ 143.00
		Kart-Tub (8 bushel) w/ lid	\$ 500.00
		Label Design	\$ 250.00
		Labels	\$ 380.00
		Marketing Materials	\$ 640.00
Total	\$3,016.00	Total	\$11,383.00

Total for Retrofitting Milkhouse, Equipment and Misc. Supplies: \$14,399.00

*I already have many supplies such as rennet, starter cultures and some supplies from the dairy plant that we kept.

Phase Two and Three Needs

Specific key issues need to be addressed to take advantage of on-farm retail sales of cheese and to prepare for wholesale of lactic cheeses to regional grocery store chains.

The strategy is described by the continuum of the following tasks:

- Develop a retail farm store to take advantage of higher prices received through direct sales to consumers;
- Develop aging and finish product facilities sufficient to age and store cheeses made on the farm and through the dairy incubator;

- Develop a HACCP plan and Recall plan as required to market to high-end grocery store chains such as Whole Foods and Wegmans;
- Establish a Distribution system;
- Develop an eCommerce website for on-line sales and marketing of cheese;
- Develop a cut/wrap and shipping facility that is scale appropriate.

Retail Farm Store

The farm was purchased with direct marketing in mind. It is less than a ¼ mile from Rte. 20 on a well traveled route to Hamilton. Antique Festivals, a Windmill park and local College events attract a year round supply of tourists. Our driveway is a popular turning around spot for people who are interested in viewing the Madison Windmills.

Currently, customers come to a side porch to purchase cheese from us. The location is less than ideal with little signage, lighting and separation from living quarters. A three bay garage is going to be knocked down in 2005. The location is separate from living quarters and easily identified by passing traffic.

A Solid Built Modular structure has been identified as ideal for an on-farm retail store. Little site work will need to be done to install the structure.

<u>Farm Store</u>	<u>\$8442</u>
Home Built Shed	\$3942
Interior Design	\$1000
Displays and Coolers	\$1500
Site Preparation	\$1200
Landscaping	\$800

Aging & Finishing Facility

The farm has been processing fresh pasteurized cheeses. These cheeses prefer cold temperatures to keep shelf life. The facility requirements are met with a 2-door slide cooler. As production expands, I will need additional cooler capacity. Aged cheeses have drastically different needs.

In the short run, I would like to install two walk-in coolers. One will be for aging cheeses processed on the farm. The other will be to store fresh cheeses. In the long run, I plan to build a cheese cave in an embankment under the three bay garage that is going to be knocked down.

Two Walk-in coolers have been identified for \$4500. They are complete units.

Distributions System

In the long term, the cheese business will be dealing with a distributor. In the short term, Shannon will have to do deliveries. This will involve:

- Used Slide on Refrigerated Box (identified) \$450
- Installation \$400
- Replacement for existing Farm Truck \$5500
- Separate Computer and printer to take with \$2100
- Quickbooks have

Wholesale Grocery Chains

There is interest from Wegman's and Whole Foods to have our fresh lactic cheeses in their stores. The process can take up to a year to get product into one of those stores. The following is a list of things that have to be done and average costs associated with this market:

- UPC code \$1500 initial fee; \$125 year after
- HACCP plan \$1800 take the Master Cheesemaker Course UVM, HACCP plans are included in course. Having professor consult costs roughly the same.
- Recall Plan \$2000 FDA has a good site to help you develop a recall plan. A food industry consultant gave estimated cost.
- Packaging Machine \$10,500 Piston pump filler with automated capper.
- New Package Design \$1200

eCommerce Web Site

Mail order through internet sales will allow the cheese business to market to customers interested in good quality farmstead cheeses. By setting up a site for local restaurants and stores to do their ordering will also streamline sales. This kind of web site will also allow me to put information about the farm, including a virtual tour, heritage breed conservation, grass based agriculture and propaganda about the consolidation of the food industry and how supporting small farms helps rural economies. A consultant that specializes in these sites has been identified. He estimates his cost to be around \$2200 without the cost of updates. It is to be designed for ease of updating by moderately web site illiterate people.

Cut/Wrap & Shipping Facilities

Ag & Markets is allowing us to use a room adjacent to the house. It has a separate entrance. It is small and does not have much room to maneuver. It is recommended that I find an alternative detached building to serve as a cut/wrap & shipping facility.

Until the cave/farmstand/cut&wrap facility is built (phase 5-10), another Solid Built modular structure will be purchased. As with the farm store, there will be site work and landscaping needs that have to be addressed. We will also have the aging/finishing coolers attached to this facility.

- Solid Build Shed \$3500
- Site Preparation \$1200
- Landscaping \$800
- Supplies \$3100

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