

## **EXECUTIVE SUMMARY**

In response to a variety of challenges faced by local and regional livestock farmers, Liz and Nate Brownlee of Nightfall Farm, Dennis and Tricia Bower of Plumer-Bower Farmstead and Max and Sarah Joyner have come together to research the issues and attempt to find a solution. These challenges include processors with full schedules and no available butcher dates, sub-par cutting and packaging, poor customer service and an inability to provide value-added products. The team received a grant from SARE to conduct a study on the feasibility of opening a small-scale animal processing business. The team has worked closely with both a financial and business consultant and come up with a financially viable business model for a butcher shop that addresses farmers' needs. This butcher shop is an intentionally small-scale processing facility so that it can build sustainable relationships with its partners and offer customizable value-added products. The project seeks \$75,000 to cover renovation, equipment and other necessary costs.

## **BUSINESS DESCRIPTION**

Max and Sarah Joyner plan to convert their 40 x 60 ft. pole barn on their property into a meat processing facility. Located in Elizabethtown, minutes away from both Columbus and Seymour, the site is a well-positioned geographic area with few current processing options. There are a few older slaughter and processing facilities and a few custom exempt butcher shops in south-central Indiana, but demand greatly outpaces services forcing farmers to travel many miles from the farm for processing. Further, the nearby facilities have many downsides: full schedules and no available butcher dates, sub-par cutting or packaging, and poor customer service. These facilities are not designed to (or interested in) specifically serving farmers with unique packaging and labelling needs (requirements for sales at farmer's markets and restaurants or groceries differ from typical labelling on custom-exempt meat). These facilities are also not equipped to create value-added smoked and cured products (such as jerky, salami, and other charcuterie options). The act of slaughtering (killing, skinning, disposing of organs, etc....) and butchering (creating ready to eat cuts) an animal have been traditionally two distinct jobs. However, the current food system has moved towards a huge production scale forcing the small businesses left to combine the two occupations into one. Because of this, the existing facilities are only able to offer the bare minimum of possible cuts that an animal can provide. This facility will not offer slaughtering but will instead be focused on providing customers with a variety of cuts and options. The Joyners are opening to provide a high-quality experience focused on the farmer, the customer, and the meat.

Max Joyner will manage the butcher shop. Max gained experience butchering, preparing value-added products and managing a kitchen for Cummins Hospitality. During his time at Cummins, he has cultivated long lasting business partnerships with livestock farmers. His experience, knowledge and established relationships enable the shop to hit the ground running.

Sarah Joyner will manage the administrative aspects of the business and the shop's social media presence. Sarah has years of administrative and financial experience from working at Cummins Hospitality and Columbus First Church of the Nazarene. Sarah is also pursuing a major in Pastoral Ministries with a minor in Business Leadership and Ethics from Nazarene Bible College, and has plans to pursue certification in nutrition and wellness coaching.

Alomar Garcia will work as a part-time butcher and assist with other aspects of production as needed. Alomar gained experience in butchering and charcuterie at Cummins Hospitality.

## **BUSINESS MISSION AND STRATEGY**

### **Mission:**

Providing high-quality, customizable experiences with truth in every step of the process.

**Strategies:** Farmer-focused, seeking farmer input and participation from the planning and design stage through daily operations. Strategies include:

- Work closely with two area farmers on a feasibility study, funded by the United States Department of Agriculture, to design and structure a facility that meets their needs.
- Seek input from other farmers and potential customers about services offered, design, packaging, etc.
- Ensure that all packaging meets basic requirements for sale at farmer's markets, including both health department needs and customer expectations.
- Offer cuts and value-added products that farmers' customers are requesting.
- Regularly seek farmer and customer input through casual conversation.
- Host annual "farmer gathering" at the shop for a tour, a farmer listening session, and shared meal.

## **MARKETS AND COMPETITION**

Research conducted in this area has shown that there is great demand for additional meat processing services. Farmers from across the area report being frequently frustrated by limited availability at existing processing facilities, or the great distances required to find available or adequate services. This facility aims to solve both the Farmer's and the slaughter house's problem. The Farmer may have a facility nearby that does a fine job slaughtering but because of the poor butchering options is forced to travel to a farther away facility. The processing facility is well equipped to slaughter many animals a day but is forced to slow production down and limit options because of the time and different skill set required to butcher them all. This facility will be able to relieve the slaughter house of butchering and allow the Farmer to maximize the harvest from the animal he or she raised. Consumers are increasingly interested in and actively seeking out local food sourced directly from area farmers as opposed to regional and national supermarket options. Ken Meter's "Finding Food in Farm Country" looked at the Columbus area food system, and found a 17% growth in local food sales from 2007 to 2012. Meter found that Columbus has a large buying potential, including \$45 million

spent on meat, poultry, fish and eggs annually. Joyner's is well poised to capitalize on both markets.

At the onset of our business, our products/services will be only be available onsite at Joyner's in Elizabethtown.

Our nearest and most direct competitors for this product/service include the following:

- Westport Locker offers slaughter, butchering and retail meats in nearby Westport (20 minutes away). They have been in business for many years and have established clientele; however, new owner/operators have mismanaged the business in the past two years and driven away many of their farmers who previously trusted them for slaughter and processing services, leaving a market opening for Joyner's.
- Savory Swine, 15 minutes away in downtown Columbus, offers an assortment of retail meat cuts and is likewise well established with a strong customer base. However, the focus of Savory Swine is not locally sourced meats, and therefore Joyner's will stand apart with the strength of attraction to effectively compete for customers.
- Daily's Market, 15 minutes away in the commercial district of Columbus, offers wholesome food products. Their meat is hormone free but not local.
- Bush's Market, 15 minutes away in Columbus, offers pork and vegetables from their farm seasonally. They do not offer other types of meat.

## SWOT Analysis

<p><u>Strengths</u></p> <ul style="list-style-type: none"> <li>• Focus on customer service</li> <li>• Experience with meat cutting</li> <li>• Entrepreneurial desire to meet demand</li> <li>• Established relationships with farmers built on trust</li> </ul>	<p><u>Weaknesses</u></p> <ul style="list-style-type: none"> <li>• Will not offer slaughter services             <ul style="list-style-type: none"> <li>• Location is not in town</li> </ul> </li> </ul>
<p><u>Opportunities</u></p> <ul style="list-style-type: none"> <li>• Area farmers frustrated with current options</li> <li>• High demand for local, high quality meat processing</li> <li>• Steadily growing customer demand for retail meat cuts</li> </ul>	<p><u>Threats</u></p> <ul style="list-style-type: none"> <li>• Increasing customer demand for convenience             <ul style="list-style-type: none"> <li>• Multiple area competitors offering a variety of meats</li> </ul> </li> </ul>

## **MARKETING PLAN**

The targets of our marketing efforts are two-fold: attract area farmers and attract area meat-eaters. First and foremost, our customers are local family farms raising animals on a small scale and selling that meat directly to customers (at farmer's markets, through Community Supported Agriculture programs, to chefs and groceries, etc.). Secondly, nearby Columbus and Seymour are home to a great population of quality-minded customers who are already accustomed to frequenting area farm markets and will be the focus of our advertising. However, the surrounding communities also maintain a strong agricultural tradition and will be included in our marketing. The shop will offer plenty of retail choices to potential customers visiting but it will also focus on establishing a market that does not depend on walk-ins including:

- Classes on whole animal butchering, sausage & salami making and other charcuterie including bacon & hams.
- A presence at local Farmer's markets
- Meat CSA (community supported agriculture)
- Accounts with restaurants and grocers
- Seasonal deer processing

## **FINANCIALS**

The capital investment needed to start this business is \$75,000. Approximately \$30,000 will be spent on equipment, \$35,000 on renovating the building to fit the regulatory and business needs of the butcher shop, with \$5,000 to complete the necessary HACCP plan and \$5,000 held in reserve for unanticipated costs. We are adding detail to this basic financial projection over the coming six months, thanks to our USDA grant.

Attached in the appendices are the financial projections, infrastructure budget, cash flow analysis and profit and loss statements. Our projections have been ground-truthed by a financial consultant, we have compared our budget and labor estimates against other similar businesses, and we believe that our work demonstrates that this business can and will be successful in serving its customers and generating a stable profit.

The funds will be used in the following ways: to convert the heated pole barn on site to a commercial butcher shop, including everything from necessary septic to butchering equipment, freezers and other cooled storage; advertising; staff; etc.

Funds will be raised in a combination of ways, including:

- Personal savings.
- Investment partners, including family members, Nightfall Farm, Plumer & Bowers Farmstead.
- Low-interest USDA Loan(s)
- Grant(s) that focus on improving agricultural infrastructure in rural communities like ours.