**Executive Summary** *(Cover letter for the plan. Summary of the whole plan. Keep it short. Include the financing request.)*

Trask Farms LLC is a successful 100-cow dairy operation owned by Adam and Cathy Trask. The operation started in 2016 and is located on a leased dairy farm in Buffalo County. Along with its cattle, Trask Farms owns a small line of equipment. The farm produces milk but not crops; all feed is purchased. Milk sold per cow averaged 22,000 pounds in 2017.

The business intends to finance the purchase an additional 35 cows this year, which will require an intermediate term loan of $45,000. While cash flow is likely to remain tight in 2018, the additional cows will allow Trask Farms to spread overhead costs and reduce its per-cow cost of production.

Long-term goals include paying off existing debt, building equity and, in 2021, purchasing a farm.

**Business Description** *(Overview of your business. Where is it located? What are the facilities like? What is the history of the business? What is the ownership structure?)*

Trask Farms LLC is a family dairy located in Buffalo County, Wisconsin. It is owned and operated by Adam and Cathy Trask. The operation consists of a herd of 100 Holstein cows and approximately 100 heifers ranging in age from calves to springers. Since starting their operation in spring of 2016, the Trasks have been renting their facilities, which consist of a milking parlor, 120-cow freestall barn, manure storage, housing for young stock, storage for machinery and feed, and a house. The majority of their forage and grain is purchased from their landlord.

**Operations** *(What products or services do you offer? What is your production system? How are you unique? Standards of quality and customer service? Inventory management? Licenses, permits, patents? Risks, and how are they managed? Competitive advantages? Growth plans? Timeline for implementation?)*

Trask Farms LLC owns its cattle and a small line of machinery, and leases its milking facilities, cattle housing, and storage. There are 100 cows in the dairy herd, with approximately 85 milking and 15 dry. Milk sold is 22,000 pounds/cow/year. Bull calves are sold at birth and all heifers are raised on the farm. Machinery includes a tractor, portable TMR, and a skid steer. Forages and grain are purchased on contract from the landowner who owns their dairy facilities. Other feed is purchased from a local co-op. Manure hauling is contracted on a custom basis with application on the landlord’s fields.

The lease arrangement has allowed Trask Farms to keep its overhead costs relatively low during its first few years in business. The feed purchase agreement allows Trasks to focus their attention on their dairy herd.

Trask Farms would like to expand its dairy herd to 135 cows in 2018. By 2021, the Trasks would like to have all existing debt paid off and to purchase a farm.

**Marketing Plan** *(Market trends in your business? Target markets & customers? Product pricing, promotion, distribution? Historic & projected sales? Strategic partners or contracts?)*

Milk is currently being sold to Foremost Farms. The milk market is experiencing a period of high production and soft demand for dairy products, which has hurt farm-level prices. Trask Farms expects its average 2018 mailbox price to be $15/cwt, which is roughly $2 less than 2017. The price is early 2018 is likely to be lower than $15.

Bull calves and cull cows are sold through Equity Livestock. Bull calves have been bringing an average of $90/head and cull cows 50 cents/pound.

**Management and Organization** *(The management team? Knowledge, skills and abilities that enhance the business’ success? Board of directors or advisory team? Business structure? Tax, accounting, legal work?)*

Trask Farms is organized as a Limited Liability Company (LLC). Adam and Cathy Trask manage the business and provide most of the labor. Both grew up on dairy farms. They both furthered their education by attending Farm and Industry Short Course at UW-Madison. They are enrolled in the Farm Business Production Management Program offered through Western Technical College, and attend many conferences and workshops to keep up to date on best practices in the dairy industry.

The Trasks have a team of experts they rely on to help them with managing their operation including their veterinarian, nutritionist, accountant, and lender. Their landlord has been a great mentor for them as well.

**Financial Plan** *(Balance sheets? Cash flow projections? Sources & uses of cash? Projected income statements? Assumptions to back up projections? Funding request?)*

**(see attached cash flow projections and balance sheets)**

**Assumptions - 2018**

* Milk price $14/cwt Jan-June; $16 July-Dec
* Add 35 cows in April purchased for $1300/hd
* Production 22,000/cow x 85 cows Jan-Apr; x 115 cows May-Dec
* Estimated costs:
	+ Feed/cow $1,600/year
	+ Rent $2,500/month
	+ Cull rate 30%
	+ Etc, etc

**Assumptions - 2019**

* Milk price $16
* Maintain 135 cows with 115 milking
* Production 22,000/cow x 115 cows
* Estimated costs:
	+ Feed/cow $1,700/year
	+ Rent $2,500/month
	+ Cull rate 30%
	+ Etc, etc