



C.O.W.

~ Cattle Out West ~

Diaz, Francis, Hoxsey

Accountant, IT Manager, Marketing Manager, Ranch Manager(s), Seasonal Ranch hand(s)

From Napa Valley's rolling hills, free range cattle that are sure to enlighten your
taste buds and encourage social awareness!

Now that's something to be hungry about!



Target Market and their needs

- High-end restaurants and Hotels that desire to serve only the healthiest and most natural beef. Focusing within metropolitan areas such as San Francisco, Los Angeles, Las Vegas, Houston, Chicago, Miami and New York , C.O.W. would give our customers the option to not only hand pick their purchase, but to monitor its health and growth as well!

Competitor Analysis

Niman Ranch

~San Francisco Bay Area

Long Meadow Ranch

~Mayacamas Mountains
Napa Valley

The top four

~Northern California

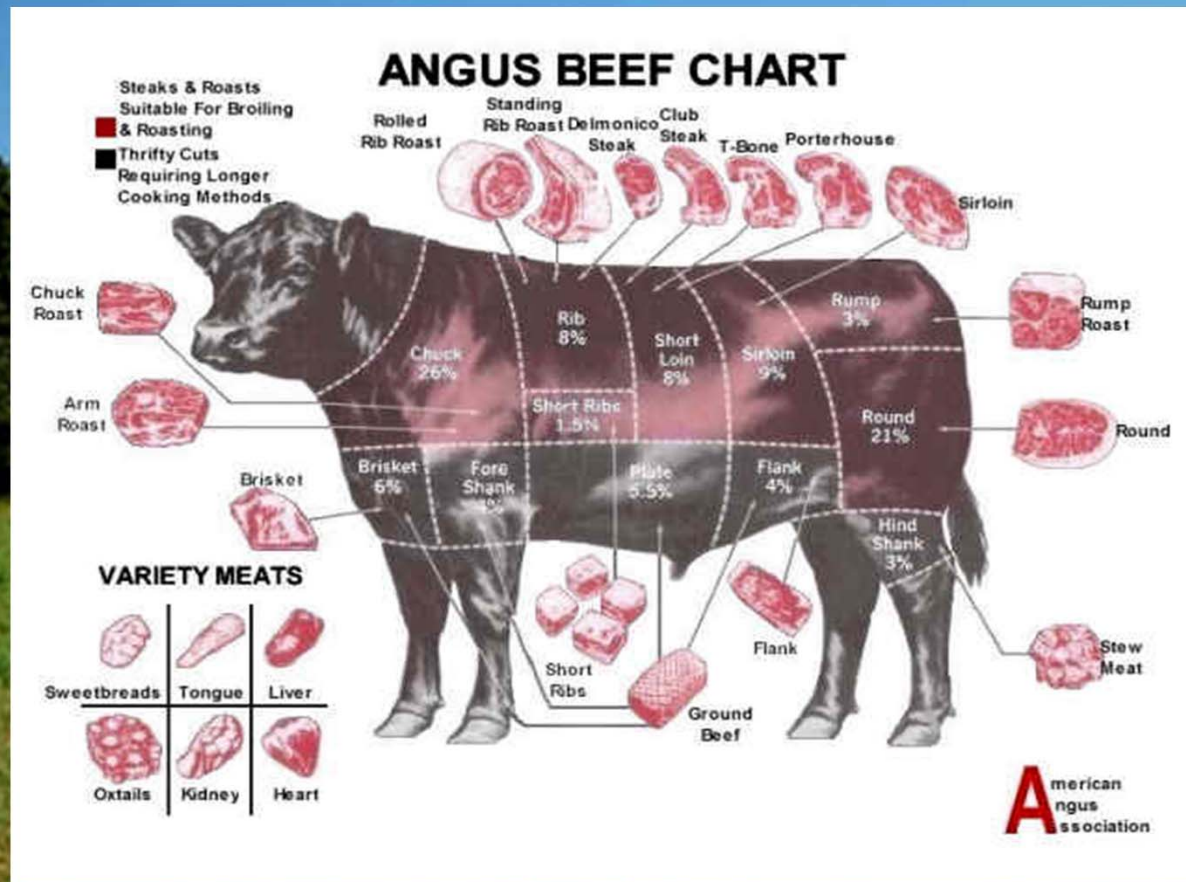
Five Dot Ranch

~United States,
Argentina and Uruguay
Estancia

Our competitors offer a variety of grass fed and natural beef, but none of them can match the customer/cattle relationship that C.O.W. offers.

Competitors have a broad range of customers that handicaps their ability to satisfy specific needs of restaurateurs, C.O.W. on the other hand deals only with chef's that are serious about their beef and its taste.

Product Lines and Products



C.O.W. is:

- ~Cost effective
- ~Socially Aware
- ~All Natural
- ~Attentive to customer Needs

COST ANALYSIS

C.O.W. used a competition-based pricing strategy to determine the price at which whole carcasses and sides would be sold. Based upon the competitors' average price per cut, number of cuts per side, and the average ounce size of each cut, a side of beef yields \$1670.90 worth of meat, or \$3341.80 worth of meat for the whole. Using this information, C.O.W. priced a side of beef at \$1600 and the whole at \$3000, allowing for a customer savings of 4.25% or 10.2%, accordingly.

	Niman Ranch	Long Meadow Ranch	Estancia	Five Dot Ranch	MEAN	Steaks Per Side of Beef
Rib Eye Steak	\$24.65/lb	\$17.99/lb	\$15.99/lb	\$22.99/lb	\$20.41/lb	8 Steaks (14 oz)
New York Strip	\$22.99/lb	\$18.99/lb	\$20.49	\$21.99/lb	\$21.12/lb	5 Steaks (16 oz)
Flatiron Steak	\$14.21/lb		\$12.00/lb	\$9.99/lb	\$12.07/lb	4 Steaks (8 oz)
Tenderloin (Filet Mignon)	\$51.40/lb	\$29.99/lb			\$40.69/lb	5 Steaks (8 oz)
Top Sirloin	\$26.98/lb	\$13.99/lb	\$13.99/lb	\$13.99/lb	\$17.23/lb	5 Steaks (16 oz)
Flank Steak	\$15.04/lb	\$12.99/lb	\$12.49/lb	\$11.99/lb	\$13.13/lb	2 Steaks (22 oz)
Short Ribs	\$8.00/lb	\$5.99/lb	\$6.99/lb	\$7.99/lb	\$7.24/lb	13 Steaks (16 oz)
Cross Cut	\$8.00/lb			\$6.99/lb	\$7.50/lb	10 Steaks (16 oz)
Stew/Kabob Meat	\$9.99/lb	\$7.99/lb	\$6.49/lb	\$4.99/lb	\$7.37/lb	10 lbs
Ground Chuck	\$6.99/lb	\$4.99/lb	\$5.49/lb	\$5.49/lb	\$5.74/lb	75 lbs
Brisket	\$10.44/lb	\$3.50/lb	\$6.53/lb	\$7.99/lb	\$6.53/lb	2 Steaks (32 oz)
Prime Rib	\$19.05/lb				\$22.35/lb	10 Steaks (24 oz)
Tri Tip	\$11.99/lb	\$9.99/lb		\$8.99/lb	\$10.32/lb	5 Steaks (16 oz)
Chuck Roast	\$11.99/lb	\$8.99/lb		\$5.99/lb	\$8.99/lb	4 Steaks (16 oz)
Top Round (London Broil)	\$9.99/lb	\$8.99/lb		\$6.99/lb	\$8.66/lb	4 Steaks (24 oz)



Promotion

- Open house with potential clients at the ranch
- Attracting new markets with direct mail, open house and test marketing different cuts to chefs
- Hiring technical personal to set up website and keeping it update with questions and new photos daily
- Making quarterly trips to different cities with restaurants wanting to support grass-fed operations

Distribution/Location

- All purchases would be available through web-site or in person.
- Chef's would be given the option of choosing their cattle at the ranch.
- C.O.W. would ship via ground mail

Budget

With the exception of years one, C.O.W. shows a steady incline in spending of about x% per year. With the growing number of cattle, livestock depreciation consistently increases. Additionally, travel expenses and delivery costs rise with the number of customers. To ensure a high-standard of customer satisfaction, established and potential clients will be flown into the Napa Valley for a week-long visit to the C.O.W. ranch. In this way, they will have the opportunity to view the livestock and manage over their herd. Ownership is a unique attribute of C.O.W. operations that not only sets it apart from the competition, but allows for customers to better sell the products as well.

Expense Budget					
Personnel	Year 1	Year 2	Year 3	Year 4	Year 5
Accountant	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
IT Manager	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Marketing Manager	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Ranch Manager(s)	\$32,000	\$32,000	\$64,000	\$64,000	\$96,000
Seasonal Ranch Hand(s)	\$1,600	\$1,600	\$3,200	\$4,800	\$6,400
Operating	Year 1	Year 2	Year 3	Year 4	Year 5
Advertising	\$100,000	\$50,000	\$50,000	\$50,000	\$50,000
Angus Association Dues	\$300	\$50	\$50	\$50	\$50
Bad Debts	\$0	\$0	\$0	\$0	\$0
Bank Charges	\$120	\$120	\$120	\$120	\$120
Cash Discounts	\$0	\$0	\$0	\$0	\$0
Consulting Services (Website)	\$6,000	\$1,000	\$1,000	\$1,000	\$1,000
Delivery Costs	\$0	\$200	\$750	\$750	\$750
Depreciation (Equipment)	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100
Depreciation (Livestock)	\$10,800	\$29,600	\$39,800	\$53,400	\$73,800
Depreciation (Vehicles)	\$4,200	\$4,200	\$4,200	\$4,200	\$4,200
Employee Benefits	\$31,200	\$31,200	\$39,000	\$39,000	\$46,800
Insurance	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Interest					
Legal and Auditing					
Liscenses and Fees	\$200	\$200	\$200	\$200	\$200
Maintenance and Repairs	\$1,000	\$150	\$150	\$150	\$150
Office Supplies	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Payroll Taxes	\$14,688	\$14,688	\$17,376	\$17,504	\$20,192
Postage	\$10	\$17	\$26	\$38	\$57
Rent or Mortgage	\$0	\$0	\$0	\$0	\$0
Sales Expenses					
Shipping and Storage	\$0	\$0	\$0	XXXXXXXXXX	XXXXXXXXXX
Supplies (Branding Iron)	\$70	\$0	\$0	\$0	\$0
Supplies (Tatoo Stamps)	\$150	\$0	\$0	\$0	\$0
Telephone	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Trademark Fee	\$1,700	\$0	\$0	\$0	\$0
Travel	\$0	\$0	\$0	\$1,000	\$2,500
Utilities	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Total Expenses	Year 1	Year 2	Year 3	Year 4	Year 5
	\$359,738	\$320,725	\$375,572	\$391,912	\$457,919

C.O.W. Profit Plan

Income Statement

Cattle Out West
Year 1

Revenue

Gross Sales	\$0	
Less: Sales Returns and Allowances	\$0	
Net Sales		\$0

Cost of Goods Sold

Beginning Inventory	\$0	
Add:		
Butcher Costs	\$2,250	
Castration Supplies	\$255	
Feed	\$120	
Livestock Insurance	\$0	
Slaughter Costs	\$420	
Vaccinations	\$300	
Inventory Available	\$3,345	
Less: Ending Inventory		
Cost of Goods Sold		\$3,345

Gross Profit (Loss) **(\$3,345)**

Expenses

Advertising/Marketing	\$100,000	
Amortization	\$0	
Angus Association Dues	\$300	
Bad Debts	\$0	
Bank Charges	\$120	
Consulting Services (Website)	\$6,000	
Depreciation (Equipment)	\$1,100	
Depreciation (Livestock)	\$10,800	
Depreciation (Vehicles)	\$4,200	
Employee Benefit Programs	\$31,200	
Insurance	\$1,200	
Interest		
Legal and Professional Fees		
Licenses and Fees	\$200	
Office Expense	\$1,000	
Payroll Taxes	\$14,688	
Postage	\$10	
Rent	\$0	
Repairs and Maintenance	\$1,000	
Supplies (Branding Iron)	\$70	
Supplies (Tattoo Stamps)	\$150	
Telephone	\$1,200	
Trademark Fee	\$1,700	
Travel	\$0	
Utilities	\$1,200	
Vehicle Expenses	\$0	
Wages	\$183,600	
Total Expenses		\$359,738

Net Operating Income **(\$363,083)**

Other Income

Gain (Loss) on Sale of Assets	\$0	
Interest Income	\$0	
Total Other Income		\$0

Net Income (Loss) **(\$363,083)**

Income Statement

Cattle Out West
Year 5

Revenue

Gross Sales	\$833,400	
Less: Sales Returns and Allowances	\$0	
Net Sales		\$833,400

Cost of Goods Sold

Beginning Inventory	\$0	
Add:		
Butcher Costs	\$202,500	
Castration Supplies	\$60	
Feed	\$10,800	
Livestock Insurance	\$8,334	
Slaughter Costs	\$37,800	
Vaccinations	\$4,500	
Inventory Available	\$263,994	
Less: Ending Inventory		
Cost of Goods Sold		\$263,994

Gross Profit (Loss) **\$569,406**

Expenses

Advertising/Marketing	\$50,000	
Amortization	\$0	
Angus Association Dues	\$50	
Bad Debts	\$0	
Bank Charges	\$120	
Consulting Services (Website)	\$1,000	
Depreciation (Equipment)	\$1,100	
Depreciation (Livestock)	\$73,800	
Depreciation (Vehicles)	\$4,200	
Employee Benefit Programs	\$46,800	
Insurance	\$1,200	
Interest		
Legal and Professional Fees		
Licenses and Fees	\$200	
Office Expense	\$1,000	
Payroll Taxes	\$20,192	
Postage	\$57	
Rent	\$0	
Repairs and Maintenance	\$150	
Supplies (Branding Iron)	\$0	
Supplies (Tattoo Stamps)	\$0	
Telephone	\$1,800	
Trademark Fee	\$0	
Travel	\$2,500	
Utilities	\$1,200	
Vehicle Expenses	\$750	
Wages	\$252,400	
Total Expenses		\$458,519

Net Operating Income **\$110,887**

Other Income

Gain (Loss) on Sale of Assets	\$0	
Interest Income	\$0	
Total Other Income		\$0

Net Income (Loss) **\$110,887**

Why not?

C.O.W.

