

## Feasibility Plan

### Situation Overview:

- A. *Why did the farm need a feasibility study?* For our project, we needed to make projections with realistic numbers. This was tough with robotics because it was relatively new technology. We needed to be conservative to be safe, otherwise our lenders wouldn't have supported the project.
- B. *Where did the farm turn for help in developing the plan?* Initially, we turned to our accountant, but our accountant didn't have access to the right tools. We needed better tools, which led us to Tim Beck, Penn State Cooperative Extension. With Tim's help, we were able to focus on feasibility. The document was constantly being updated, as we added new information and scenarios.
- C. *What peripheral resource people did the team use to build the plan?* We met with loan officers to find out what they needed to see in the plan, and then went back to them with realistic numbers. In addition to Tim's expertise, we relied on our accountant, to a smaller degree, and our contractors, such as Fisher & Thompson, Red Barn Consulting and Whitehorse Construction once we needed to include project estimates and quotes.

### Challenges and Opportunities:

- D. *What challenges, if any, developed during the feasibility study process?* The grant application with PENNVEST was a challenge. We went through three sponsors, before it was accepted by the Berks County Conservation Office. Ultimately, we received a grant, instead of a loan, and it took us an extra year.
- E. *How did the team overcome those challenges?* Communication was important and we needed multiple advisors. We had to stay on top of everything and keep pushing and following up. We had to include our nutrient management plan. The plan detailed exporting manure and communicating with other farmers. We also prepared a spreadsheet relative to labor, young stock and feed storage.



## Feasibility Plan...continued

### Actions:

- F. *What are the key components to the feasibility study?*
- General farm information
  - Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis
  - Three year cash flow history and balance sheet
  - Five year plan
  - Annual and monthly cash flow projections
  - Herd inventory plan
  - Feed and rations analysis
  - Human resource plan
- G. *Approximately how much did the feasibility study cost?* There was no cost as it was a Penn State Extension service.

### Results:

- I. *How did the feasibility study help the farm move forward and make better decision?* It provided answers to the many questions that were critical in the decision making process within the business. The outside professional advice and services could better evaluate the plan and decide their specific roles on the team.
- J. *Did the feasibility study reveal any surprising information about various scenarios?* The feasibility study clearly showed that in order to grow the business, expansion was needed. It also supported the satellite dairy expansion.
- K. *What might you have done differently in regards to the feasibility study?* It basically did what it was designed to do at little or no cost. Very little would be done differently.