

## Feasibility Plan

### Situation Overview:

- A. *Why did the farm need a feasibility study?* We needed a feasibility study to move ahead with our digester project and secure funding from banks and other grant sources.
- B. *Where did the farm turn for help in developing the plan?* Hostetter & Hostetter, CPA. Our accountant was skeptical in the beginning of the project. Once the numbers illustrated the project's feasibility, he supported the plan and encouraged us to have an attorney review the agreement with RCM, the digester manufacturer.
- C. *What peripheral resource people did the team use to build the plan?*
- Banker and accountant, Hostetter & Hostetter
  - Red Barn Consulting, Jeff Ainslie
  - Fulton Bank, Roger Rohrer and Lamar King

### Challenges and Opportunities:

- D. *What challenges, if any, developed during the feasibility study process?* Our biggest challenge was finding firm numbers to use in the feasibility study. This project was one-of-a-kind, as it was the first digester in the country to use manure from three species.
- E. *How did the team overcome those challenges?* Our family was helped by Center for Dairy Excellence (CDE) resources. The CDE executive director coordinated a meeting with industry professionals.

### Actions:

- F. *What are the key components to the feasibility study?*
- Cash Flow
  - Availability of Grants – without grants, this project would not pay for itself.
- G. *Approximately how much did the feasibility study cost?* \$12,000

## Feasibility Plan...continued

### Results:

I. *How did the feasibility study help the farm move forward and make better decisions?* The feasibility study numbers needed to look positive, or we would not have pursued this project. Feasibility study results had the power to stop the project in its tracks.

J. *Did the feasibility study reveal any surprising information about various scenarios?* Yes. Honestly, we were surprised to see that all the research and hard work invested into the feasibility study paid off. We didn't think the project would be financially viable, so it was a sigh of relief when we realized the digester could be a positive transformation for our operation.

K. *What might you have done differently in regards to the feasibility study?* Nothing. We were pleased with the study and results.

