

Central Kentucky Custom Meats

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SAVE THE DATE

**KCARD Summer Board Meeting
JULY 30, 2009**

Newsletter designed by Keeton Communications

Jerome Salyers and Neil Buck had an idea in early 2001 that they could build a slaughter facility in rural Casey County and make it succeed.

There were only a few places in the surrounding area where farmers and hunters could get their animals processed and only one was USDA certified.

Investing their own money, along with securing financing from the bank, these two entrepreneurs began building Central Kentucky Custom Meats.

Creating a Niche

“We realized early on that to make the business succeed we had to have a niche,” said Salyers. “We wanted to be better than others, to be the best.” Salyers and Buck decided that their niche would be to provide USDA certification, individual packaging of animals, a focus on retail cuts of meat, vacuum packaging

all cuts, and an all around high quality of service to customers. This decision has paid off for the small company.

On average Salyers says they kill 40 to 50 animals a week, with two days a week just USDA kills. They also tend to stay booked from two to three months out.

“What I do is I have a calendar book just like a doctor and I book so many animals a day,” said Salyers. “You call me and tell me how many animals you want to bring in, and I tell you where I’m at in scheduling, for example it is April and I’m scheduling now for June, and we get you scheduled in the book.”

It isn’t just beef and pork that is brought to their door, this USDA plant has the capacity to slaughter a wide range of animals either custom or USDA



Jerome Salyers is more than just a partner in Central Kentucky Custom Meats, he works everyday in all aspects of the operation from the processing room in the morning to the front counter in the afternoon

certified.

“We have process buffalo, we do about 15-20 elk a year, and once we had a moose brought in that was killed in Canada,” said Salyers. “Then of course we kill beef, pork, goat, lamb, sheep, and deer.”

During deer season they are so busy with processing deer they set aside three to four weeks just to process deer alone.

“We process the deer like you would 100 years ago, debone it hanging up” explained Salyers. “We vacuum seal everything. We do not use paper wrap, we do not mix the deer, everything is kept

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Executive Director's Report

Join the "Buy Local" Food Movement

Kentucky consumers are more and more looking to purchase locally produced food products. They seek locally produced foods from smaller farms that they view as fresher, of higher quality, safer, more nutritious and produced utilizing "greener" production methods. Consumers are showing with their food dollars that they are willing to pay a little more for local food products that they believe

enhances the health and well being of their families. A bonus is that consumers "feel good" about purchasing from local farmers, doing their part to support the local agricultural economy.

Likewise, Kentucky farmers are responding to consumer demand by producing a diverse number of quality food products that are grown under the guidelines of good agricultural practices and by

following conservation practices that promotes good stewardship of our environment. Kentucky farmers, as individuals and in joint effort with others are developing the infrastructure and businesses to prepare and package the harvested food products under strict sanitary, safe guidelines and conditions that protect and promote the health of the consumers.

Kentucky consumers and farmers are truly going

together in a "buy local" food movement that is a win-win situation for both parties. Evidence of the movement can be seen by the number of "Kentucky Proud" food products available in stores, farmers markets and restaurants across the Commonwealth.



Nothing Else Comes Close

Small Business Corner

Mandatory Labor Posters

If you are a small business with employees it is important to make sure you have mandatory labor posters required by the state and federal governments posted in your establishment.

Kentucky's Attorney General has cautioned Kentucky employers to be on the lookout for misleading labor law notices sold by private companies. Letters sent to Kentucky businesses threaten civil and criminal penalties ranging from \$7,000 to \$17,000 if they do not display certain posters being sold. These notices use scare

tactics and official-looking seals and language to mislead businesses into thinking the government is contacting them and threatening a fine if they don't purchase these posters. While certain posters are required by law to be posted in the workplace, the Kentucky Department of Labor, as well as other Kentucky agencies and the U.S. Department of Labor, provides these posters free of charge.

The Kentucky Labor Cabinet's Division of Employment Standards has a link to where business owners can go to download and print

all MANDATORY labor posters required by the state. Go to www.labor.ky.gov. In the lower right hand corner there is a link to the mandatory posters for Safety and Health on the Job and Wage and Hour issues in both English and Spanish.

To find out what mandatory federal posters you are required to have in your operation please contact the U.S. Department of Labor by telephone at 1-888-9-SBREFA, or by email at Contact-OSBP@dol.gov.

Ag Development Board Deadline Changes

ADB applications will no longer be reviewed and acted upon monthly by the ADB. All applications have to be submitted to the GOAP office by the due date two month before vote dates.

Applications will be discussed by the board the month after they are received and the earliest they will be voted on by the board is two months after being received.

ADB 2009 Vote Dates:

June 19, 2009

August 21, 2009

October 16, 2009

December 18, 2009

Central KY Meats...continued from front

separate, even the summer sausage for each deer is cooked and packaged separate.”

It is this attention to detail that has helped Central Kentucky Custom Meats build their vast clientele base. They now have clients that come from Indiana and Tennessee to get their animals processed.

The Poultry Addition

Over the years people that were bringing their USDA beef to Central Kentucky Custom Meats began asking Salyers why they didn't kill chickens. At first Salyers dismissed the idea, because he couldn't see the numbers to make it profitable, then more and more people started calling looking for USDA certified poultry processing and he saw potential.

“One of the main reasons I decided to go into chickens was the timing,” explained Salyers. “June, July and August are slow months for beef and pork, so instead of letting my workers go home at 20 hours we would go over to the chickens during that time and get 40 hours a week.”

Once he saw the business potential in poultry the research and planning began. Salyers quickly realized he would need a separate facility to process the poultry and began making plans to add on to the current operation. This time he decided to seek a little financial help from the Kentucky Agriculture Development Board and that is when KCARD came into the picture.

“KCARD came in and helped me take my idea and put it into a formal business plan for the grant application,” said Salyers. “They have been great about working with me through the entire grant process.”

In February 2009, Central Kentucky Custom Meats was awarded a zero interest loan from the Agriculture Development Board for the construction of a three side 42x42 building that will be built on the back side of the current slaughter facility. The facility will be a USDA certified facility, and all poultry processed will be USDA certified and ready for retail sale.



Animals are tagged when they arrive at CKCM and the identification stays with it from carcass to finish cut to ensure quality and food safety.

Along with poultry process, the loan will allow Central Kentucky Custom Meats to purchase equipment to expand their services to their red meat clients.

They are purchasing equipment so that they can begin making sausage links, bratwursts, and other products for their customers.

Salyers has already begun work on the project and hope to have everything in place to begin processing USDA certified poultry in late May or early June.

“Right now if everybody were to come that has called me in the past year about chicken processing, I could be doing eight to ten thousand chickens this year,” said Salyers. I believe the interest is real and can be profitable, or I wouldn't be investing my money into this expansion.”

Basic Grant Writing Workshop

KCARD has come together with the University of Kentucky Entrepreneurial Coaches Institute to offer the Basic Grant Writing Workshop on Wednesday, May 13 from 8:30 am to 3:30 pm EDT at the Hilton Suites Lexington Green in Lexington.

After attending the workshop, participants will be able to: understand the importance of writing successful proposals; know the 10/60 Rule of Fundraising; determine their organization's unique features; and understand what reviewers look for and why proposals fail.

Cost for the workshop is \$150 and includes materials, breaks, and lunch.

For more information or to register, contact Melony Furby, KECI, at (606) 563-6291 or via email at melony.furby@uky.edu.

To learn more about KCARD Clients visit the KCARD website at www.kcard.info

Feasibility Studies

Feasibility studies are an important part of fully investigating a potential business idea. By quantifying and reporting the strengths, weaknesses, opportunities, and threats associated with a potential business a study attempts to evaluate all facets of a proposed business venture to determine if the project is likely to succeed or fail.

This level of thorough evaluation gives entrepreneurs the insight and evidence they need as they make the difficult decision on whether or not to proceed with a business venture.

Any entrepreneur who is considering starting a business would be advised to have a feasibility study performed. Additionally, any business owner investigating changes to a current business should perform some degree of feasibility analysis.

A feasibility analysis usually centers on three general areas: marketing feasibility, management feasibility, and production or technical feasibility.

Many times business ideas stem from individuals who recognize opportunities

to capitalize on perceived shortages in supply or high demand for certain products or services in the marketplace.

To become a viable business, these ideas need to be thoroughly researched. Feasibility studies fill this need and as a result, lower the investment risk faced by entrepreneurs before any money is invested in buildings or equipment.

The first step in a feasibility study is to analyze the market for the proposed product or service. Key questions to answer are: What is the most likely selling price for the product/service and how much product can the market bear?

Answers to these questions will give an estimate of potential revenue for the business. All opportunities and risks to the marketability of the product/idea are noted and presented in the study.

To strengthen this part of the study, it is important to have letters of interest or intent from entities that would like to buy products or services from the proposed business.

An evaluation of the potential owner or owners of the business is done to get an idea if they possess the skills necessary for managing a business in and have the necessary knowledge required in their respective industry.

Many businesses fail soon after startup because of poor decisions and mismanagement in the beginning. For example, If the potential owner of a business lacks management skills and experience in a business, this will weaken the chance of success and be reflected in a feasibility study.

The next step in the process, technical feasibility is evaluated to see if is possible to produce the product on an appropriate scale.

This part of the study often involves bringing in experts in specific production and building technology to develop cost estimates for the needed buildings, equipment, and other items. It is also at this stage that estimates of operating and overhead costs are made to determine how much it costs to produce the product.



Leeta & Patrick Kennedy worked with KCARD on a feasibility study for their cheese operation

Finally, pro forma financial statements are then drafted to reflect the estimates of costs and revenue to determine if and when the business can generate profits. These usually include the income statement, cash flow statement, and balance sheet projected out a number of years.

Many times it is helpful to have a statement that lists all of the startup costs, or the costs that will be incurred before any production takes place to know the amount of startup capital that must be secured.

Sensitivity or break even analysis is done after the pro forma financial statements are drafted. This is done to determine what the break even price and quantities are for the product or service and to see how profitability is affected by simulated changes in costs and revenues.

Board Member Spotlight

Debra Chaney

Debra Chaney met her husband Carl growing up in the rural Warren County community the two have always called home.

Raising children, milking cows, and running a sewing business was the focus of Debra's life for over twenty years, but she loves the fact this lifestyle allowed her to always be close to her family.

As their kids began growing up and moving away Debra and Carl began talking about alternatives to the family dairy operation.

"We were really interested in bottling our own milk on the farm, and began looking seriously at this option," explained Debra.

The Chaney's decided they were not ready to take on the cost and challenges

of a bottling operation, but after visiting a farm that sold ice cream they realized that might be a niche for their dairy. After that the pieces began to fall in place for their new endeavor, Chaney's Dairy Barn.

Today, Chaney's Dairy Barn is an agritourism destination for people in Warren County and beyond. With their homemade ice cream, café, and dairy tours the farm is alive with activities for kids of all ages.

KCARD Board

Debra is more than just a KCARD Board member she has first hand experience working with KCARD at the Dairy Barn.

"I think that part of what makes KCARD's services unique is that they are



Debra shows Commissioner Farmer the guide for Chaney's corn maze

really professional and they all seem to want to help you with your business," said Debra. "They have all gone above and beyond, I can't imagine where we would be if we hadn't called them for help."

Debra says she has been impressed by the dedication of the staff and the other Board members.

"Everyone on the staff and Board is focused on how they can help others succeed," said Debra. "It is an honor to work with these dedicated individuals."

still take an active role in the study, and it will coordinate the efforts of the study to ensure that the objectives of the analysis are met.

KCARD's goal is to help our clients have the information they need to make informed business decision.

Feasibility Study....continued from page 4

If the business can generate cash flow and produce a profit for the owner after an acceptable time period, then in general the project is considered to be financially feasible.

KCARD typically works with other organizations,

such as the University of Kentucky, to help develop various parts of feasibility studies.

If a certain level of expertise is required for the study, then KCARD can help the client find the appropriate organization to conduct the study. In these cases, KCARD will

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To learn more about KCARD visit our website at
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