

Oakfield Farm

Hyde Chase
Woodham Mortimer
Essex CM9 6TN

BUSINESS PLAN FOR OAKFIELD FARM

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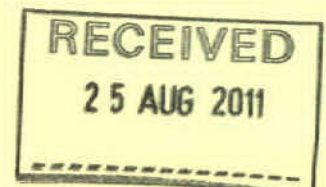
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Free range poultry and alpaca produce
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SECTION ONE

BUSINESS OVERVIEW

The purpose of the business is to produce top quality free range eggs, speciality poultry breeds and alpaca based products, ranging from their wool and fibre, to their meat which is a new and expanding market.

We have identified a gap in the market for alpaca meat products as the demand for exotic meats is growing year on year. High end restaurants, ethnic diversity and health conscious people are now demanding this product for its low fat and cholesterol qualities as well as the superb taste and texture.

CURRENT POSITION

We have purchased Oak field farm, free hold, which is located in Hyde Chase, Woodham Mortimer. We have no mortgage on the property and it is financially unencumbered. It has been dormant for the last three years, but the previous owner farmed it on an organic basis.

The land has been cut, treated for weeds and fertilized to encourage strong quality grass.

We are currently in the process of fencing the land into paddocks and securing the perimeter fences.

There is a large barn at the farm which was erected in 2006. The business is in the introductory phase.

COMPETITIVE ADVANTAGES

A ban on the use of barren battery cages within the EU is due to be brought into force in January 2012, and although the business is in its introductory phase, we believe that we will benefit from the increase in the already strong demand for local free range eggs and poultry.

The demand for Alpaca wool and fibre products is already an established world wide market, which is expanding year on year.

The market for Alpaca meat products however is still very much in its infancy. Our market research shows that there is a strong demand for these products but supply is limited. Indeed we believe we will be only the second UK based business to directly supply the market in this country, giving us a premium position in the market place

Also, unlike many business' we are financially funded through our family, and as such are not exposed to the demands and expenses of the banking industry, which again we feel will allow us a competitive edge in the market place.

GROWTH PLAN

We have conducted significant market research across the food outlet industry, The results clearly show that there is a strong and expanding market for premium quality free range products, produced and supplied at competitive prices

Added to our supply of the catering and food industry we also plan an aggressive marketing campaign to promote our products directly to the public. This will be achieved by local advertising, promotion through farmers markets, open days at Oakfield and taking pitches in several local markets.

See our marketing sheet

SECTION TWO

BUSINESS STRATEGY AND TACTICS

YEAR ONE

Following the completion of suitable fencing (See our farm layout plan), the stock will be introduced in two phases.

Phase one will be the introduction of the 400 hens as per our business plan. The stock will be monitored over a four week period. This initial time will be used to fine tune the collection of eggs and to make sure our processing, packaging and delivery schedules run efficiently. We will also be able to check on the health of the birds and make any adjustments to keep the flock in the best condition.

We expect a figure of 2,000 to 2,100 free range eggs per week

We also intend to start breeding speciality birds for sale. An initial range of six varieties are planned

Silver Spangled Appenzeller Spitzhalben
Gold Laced Orpington
Blue Laced Wyadotte
Silver Barnevelder
Barbu D'ucle
Blue laced brahma

Phase two will be the introduction of the herd of Alpaca. Again these will be kept in prepared pens, as per our farm layout plan. After an initial settling in period of about two weeks we will then start our breeding plan (see below).

The herd will consist of fourteen females and two stud males. Our goal for the first year will be ten foals, of which eight will be sold and two kept for stock. Although these figures can vary we expect these to be in line with our forecasts as we have been conservative in our estimates.

We will also be offering stud services and expect a figure of between twenty and twenty five sales in the first year. Sales figures can be seen on our profit and loss sheet.

Throughout the first two years we are aiming to increase our flock to approximately 800 birds via an internal breeding program which will in turn increase the egg output and would expect a weekly figure of

approximately 5000 eggs per week. Again, these figures can vary but we are confident they are viable and attainable. The flock will then be kept at around this size to insure quality produce.

YEAR TWO

We aim to increase our Alpaca herd to between eighteen and twenty. This will be done via two routes. The first will be stock breeding and the second by further purchase of stock from the industry.

We intend to further increase the range of speciality birds for sale, again via our own breeding program. Emma's speciality knowledge whilst working at Kelly Turkeys as laboratory technician makes her the perfect person to run this part of the business.

YEAR THREE

Our intention is to increase our herd of alpaca to thirty females and four stud males.

In year two/three to increase our sales, we will be looking to produce stock for meat. This is a new market in this country but is a staple food in other parts of the world.

The advantages of alpaca meat is that it is high in protein 21 -24 %, low in cholesterol 5 - 6% and low in fat. Over 50% of the carcass is prime cuts such as loin cutlets and steaks, which can be supplied fresh or frozen to the markets. Secondary cuts are made into sausages, burgers and processed hams.

Further, due to the high protein content, the bones can be processed into feed constituents for a variety of products, including farmed trout pellets and fertilizers, using 100% of the carcass

Top restaurants throughout the world, such as the Adelaide Hilton are now offering this meat as an alternative to the more traditional meats and because of the health benefits can command premium prices. The market is almost untapped due to the lack of supply and therefore provides us with a customer base that will take as much produce as can be supplied. This gives us a strong market position to expand and increase sales.

The location of a processing plant less than two miles away helps to keep transport costs down and profit margins up.

SECTION THREE

MARKETING

Top quality locally produced foods are a fast growing market.

Consumers are more aware now than ever about the importance of quality food. They also want to know where their food is produced and the environment that the animals are kept in and the care given to the stock animals producing it. This is in line with our core beliefs regarding the care of our stock.

A new web site is being produced (By Pepper pot) to promote our products. This will include a comprehensive guide to our clients regarding our products, services, stock for sale, and information on animal welfare and up to date news.

The use of modern technology and the internet in particular will allow us to access a large market place and at the same time will allow us to keep our business running costs down. We aim to use this extensively to promote the business

Local awareness of our business will be in the form of advertising in magazines such as the Danbury journal, The focus and on local radio, including promotions and open days at the farm, and local retailers of our products. We have also formed an alliance with local producers to promote our products which we feel is an important part of our sales strategy as this is a rich source of news and information and helps keep us up to date with local business affairs.

We aim to target our produce to quality food outlets throughout the UK, including top restaurants. We will be looking to form long term alliances with established retailers to increase our business credibility This is where we believe our alpaca meat products will be extremely strong as this is a new but fast expanding market in the UK.

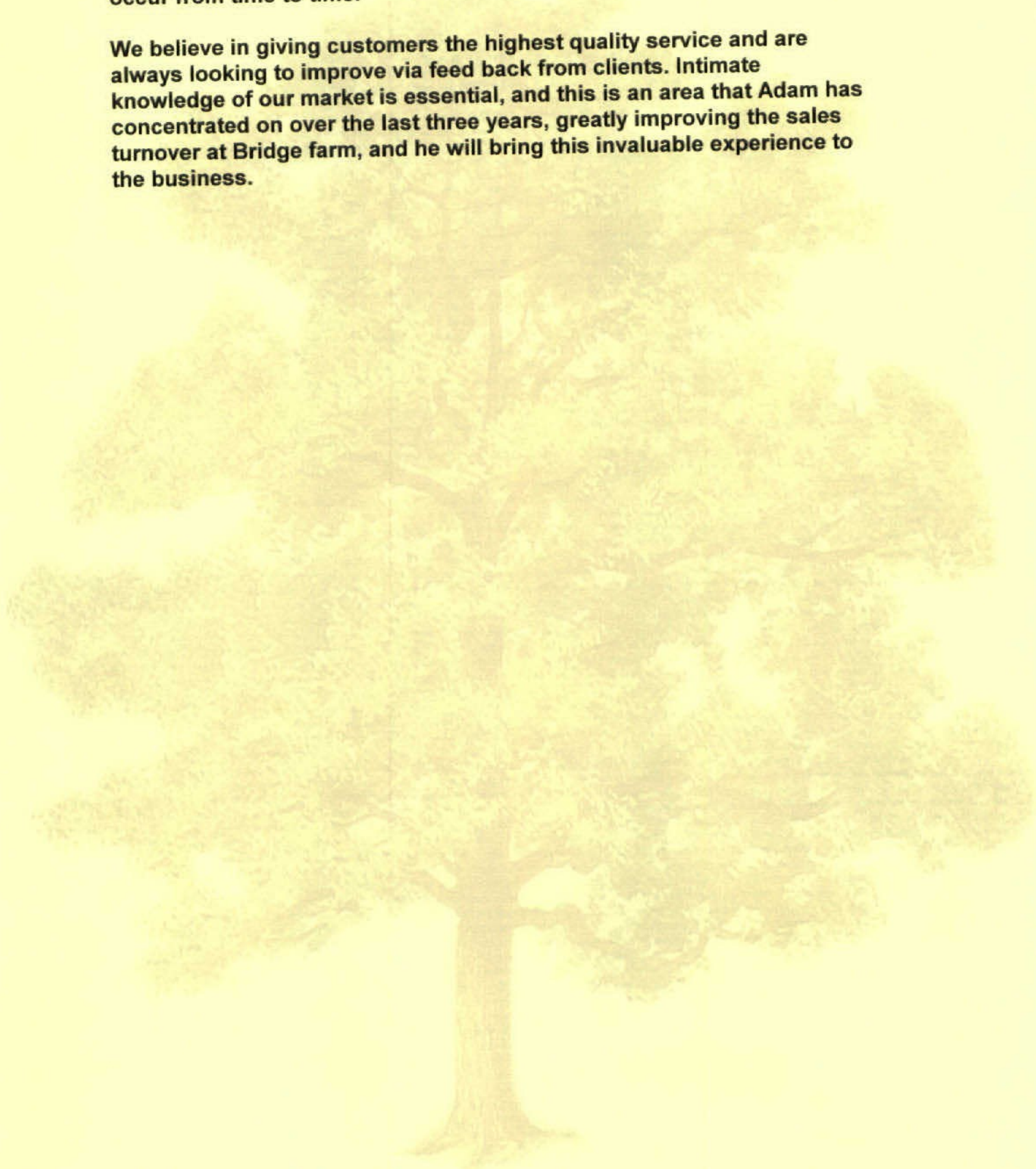
Market places such as Australia have already started to embrace alpaca meat products where it has become known as La Viande'

Our market strategy over the next three years will be to establish ourselves as an innovative company with a strong business brand based on quality and service with a wide range of textile and food products, including recipes and nutritional information to enhance our market position.

By diversifying our business across two markets places we believe that this will insulate us to a large extent against market fluctuations that can

occur from time to time.

We believe in giving customers the highest quality service and are always looking to improve via feed back from clients. Intimate knowledge of our market is essential, and this is an area that Adam has concentrated on over the last three years, greatly improving the sales turnover at Bridge farm, and he will bring this invaluable experience to the business.



STOCK ROTATION

Our intention is to place the three hen houses and Alpaca field shelter, together and in the middle of the land.

As can be seen on our location plan, the grazing area will alternate around the hen houses and shelter on a two / three monthly basis, (area A will be fenced off for grazing for a two / three month period. We will then rotate to area B for another two / three months and so on) This will allow for the land to recover and keep the pasture in the very best condition

In this position the stock will always be a minimum of 675 feet away from any other properties and will therefore have no impact on any of our neighbours.

The rest of the land is laid to grass to provide hay for stock feed and bedding. We estimate two cuts per year yielding approximately 1600 bales and any excess will be sold to improve profits.

OFFICE/ACCOMMODATION

After careful consideration we feel that the proposed log cabin style accommodation is best suited for the farm as opposed to a static caravan, as this sits much better in the location and blends in with the existing properties. It is a compact design made from sustainable wood resources, and recycled materials, making it environmentally friendly with minimal impact to its location and with enough space for us to run the company efficiently.

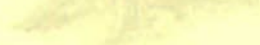
The cabin will be a multi-function facility.

Firstly, the main use will be to provide the business with office facilities to enable us to run the company.

Phones calls, orders and general logistics of the business will be run from here. This will also be where the collected eggs will be sorted and packaged ready for dispatch. We will also have an area dedicated to the incubation of special breed eggs.

This will also provide accommodation for Adam Taylor-King.

This cabin is easily erected and disassembled. Please see information provided.

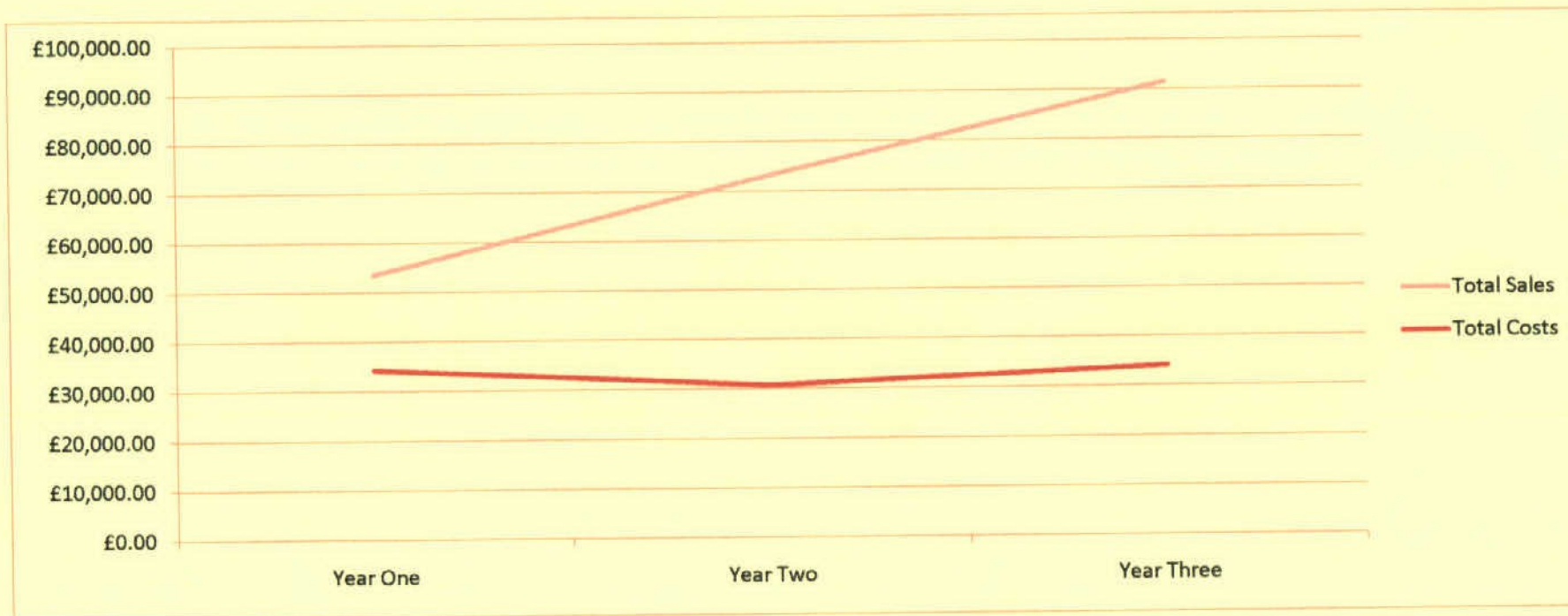


Total Yearly Sales and Costs



	Year One	Year Two	Year Three
Total Sales	£53,576.00	£73,199.00	£91,432.00
Total Costs	£34,265.00	£30,710.00	£34,030.00

Total Profit	£19,311.00	£42,489.00	£57,402.00
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Poultry Sales



	Year One	Year Two	Year Three
Free Range Eggs	£24,266.00	£36,399.00	£48,532.00
Special Breeds and Fertile Eggs	£14,560.00	£16,200.00	£17,400.00

Total	38,826.00	52,599.00	65,932.00
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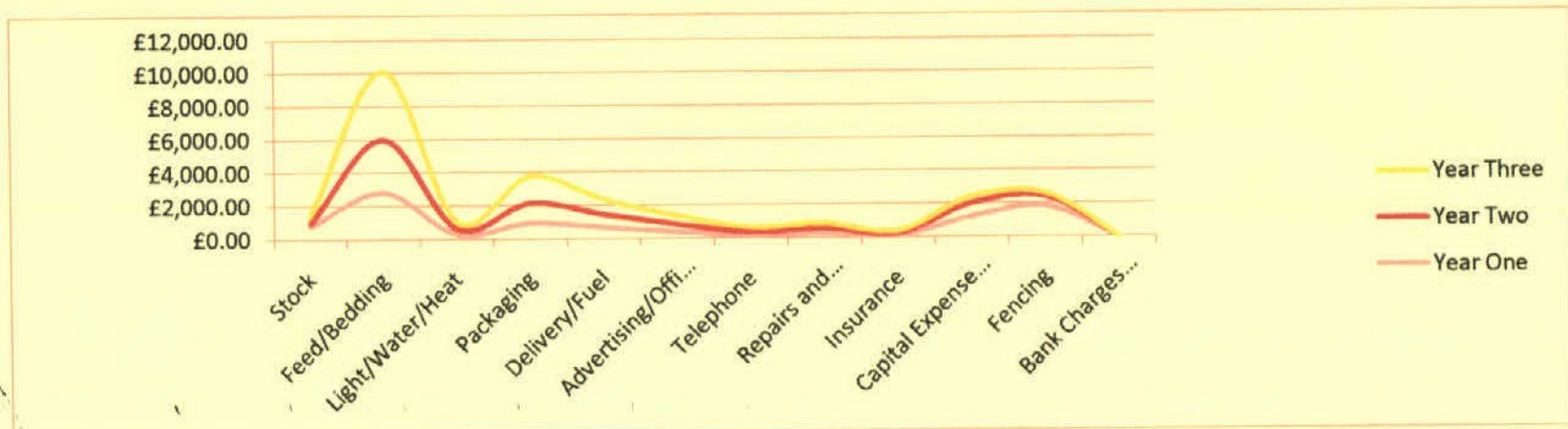


Poultry Costs



	Year One	Year Two	Year Three
Stock	£800.00	£200.00	£400.00
Feed/Bedding	£2,800.00	£3,200.00	£4,100.00
Light/Water/Heat	£290.00	£350.00	£410.00
Packaging	£960.00	£1,200.00	£1,600.00
Delivery/Fuel	£675.00	£770.00	£910.00
Advertising/Office	£400.00	£450.00	£500.00
Telephone	£150.00	£210.00	£305.00
Repairs and Maintainance	£275.00	£295.00	£300.00
Insurance	£115.00	£135.00	£155.00
Capital Expense and Plant	£1,200.00	£800.00	£400.00
Fencing	£1,800.00	£600.00	£200.00
Bank Charges and Interest	£0.00	£0.00	£0.00

Totals	£9,465.00	£8,210.00	£9,280.00
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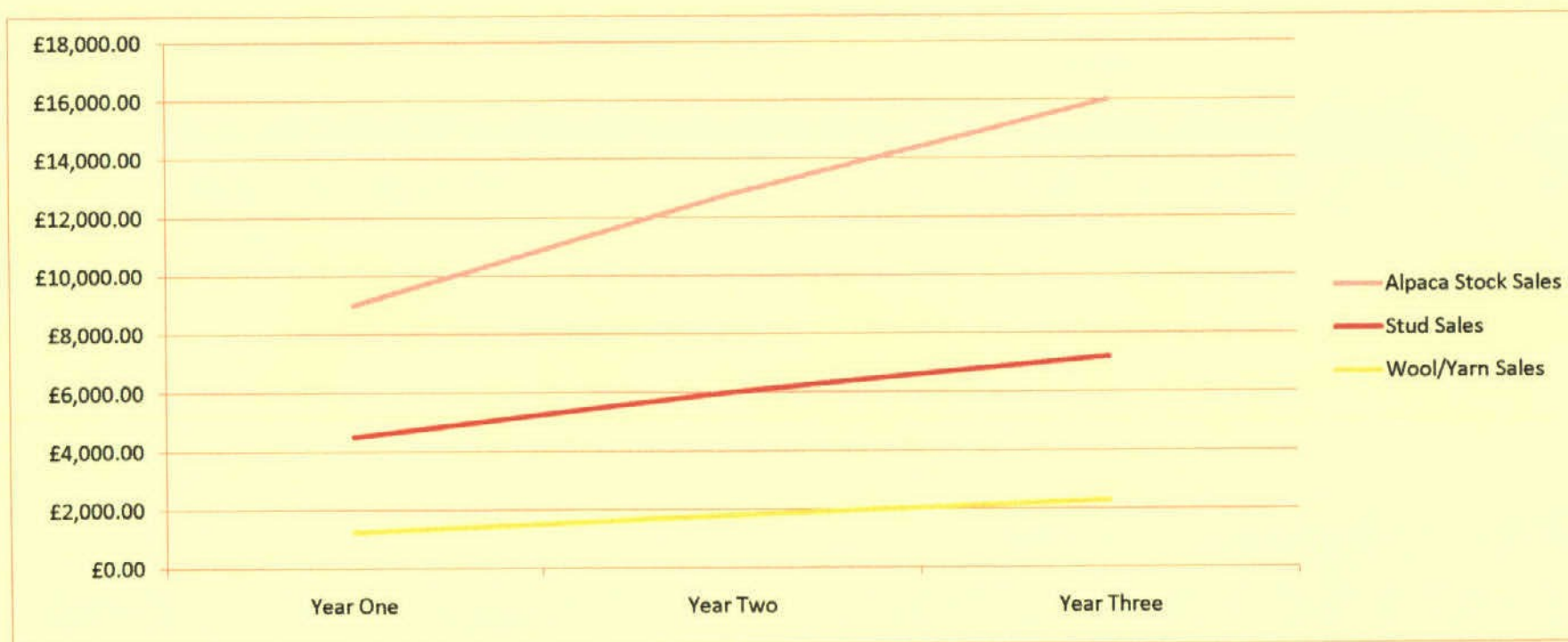


Alpaca Sales

	Year One	Year Two	Year Three
Alpaca Stock Sales	£9,000.00	£12,800.00	£16,000.00
Stud Sales	£4,500.00	£6,000.00	£7,200.00
Wool/Yarn Sales	£1,250.00	£1,800.00	£2,300.00



Totals	£14,750.00	£20,600.00	£25,500.00
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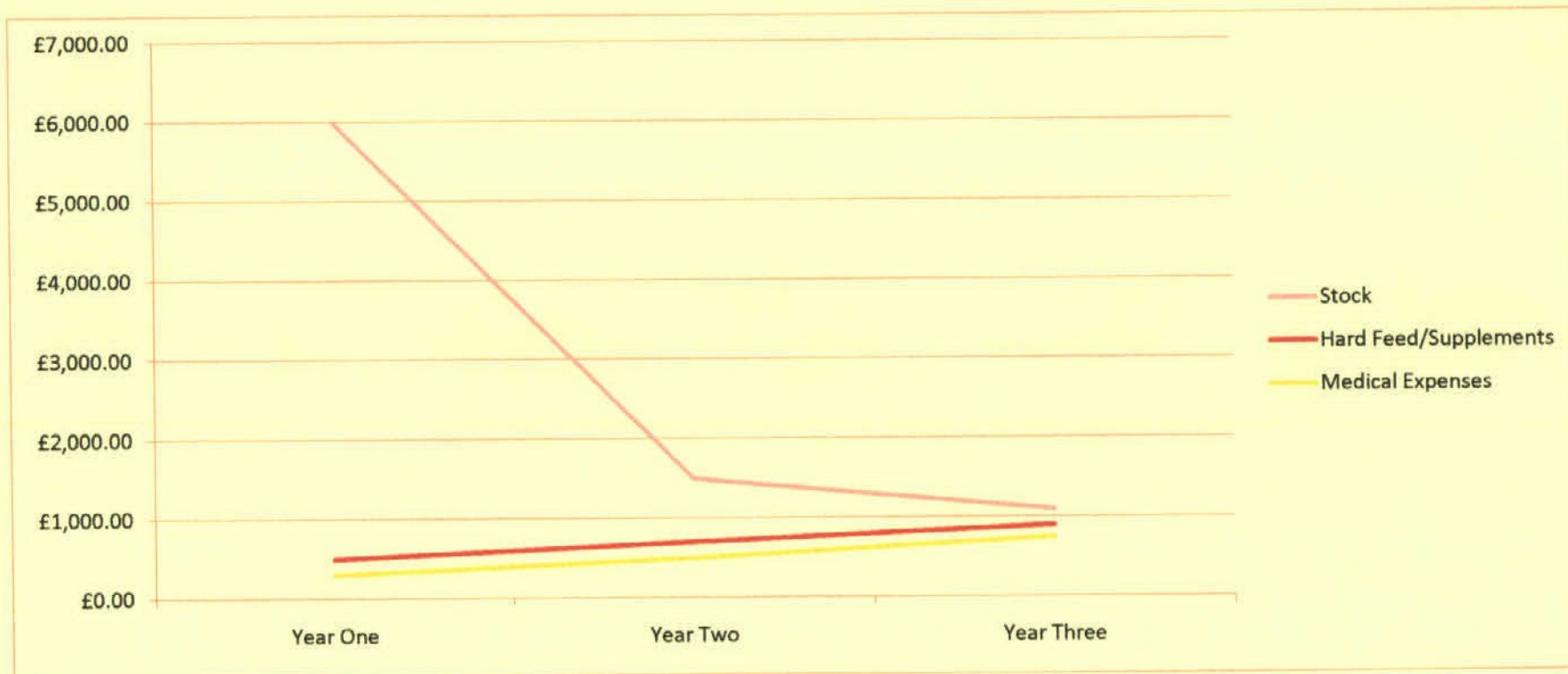


Alpaca Costs



	Year One	Year Two	Year Three
Stock	£6,000.00	£1,500.00	£1,100.00
Hard Feed/Supplements	£500.00	£700.00	£900.00
Medical Expenses	£300.00	£500.00	£750.00

Totals	£6,800.00	£2,700.00	£2,750.00
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Wages

	Year One	Year Two	Year Three
Wages	£18,000.00	£19,800.00	£22,000.00

