



**Kilcoyne Farms  
USDA Processing Facility**

**Patrick M. Kilcoyne, Owner  
Cody R. Kilcoyne, Sales Manager/ Business Manager  
John T. (Jake) McLaughlin, Project Manager**

**February 22, 2021**

## **Executive Summary**

Kilcoyne Farms was formed in 1999 by Patrick Kilcoyne and began in Brasher Falls, New York. Retail sales began in June of 2005 and over the years the farm business has evolved into a successful direct marketer of high quality meat products. Currently, Kilcoyne Farms services restaurants, universities, hospitals, individuals, and institutions throughout New York and New England with a strong focus in the Capital Region where the family farm is now located in Hudson Falls, New York.

Kilcoyne Farms raises all-natural beef cattle utilizing rotational grazing methods during the pasture season and high-quality forages during the winter months. The cattle are fed a diet that does not contain any added feed grade antibiotics or growth hormones. The high-quality beef yielded from the Kilcoyne's family farm network is processed in New York State at USDA inspected facilities and distributed directly to their customers.

The next (and proposed) phase for Kilcoyne Farms is to create our own USDA Processing Facility. The USDA facility will be targeted for the Washington County area. This facility will allow Kilcoyne Farms to perform its own processing as well as process animals for other local farms and companies. This facility will give Kilcoyne farms the ability to utilize much more of our animals than is currently being done. The facility will give Kilcoyne farms the ability for value added products such as; dry aging, smoking, curing, as well as cooked products. This facility will also bring in another stream of income for Kilcoyne farms from processing animals for the local and regional community.

## **Mission Statement**

*Kilcoyne Farms will continue to strive to be a successful direct marketer and preferred supplier of high quality New York State beef.*

## **Defining Our Project**

Our goal at Kilcoyne Farms is to continue to grow the wholesale market distributing our beef to restaurants, schools, hospitals, and other institutions. We would also like to take in house the processing of our animals in order to maximize profits off of the animals. We will also be running educational butchering classes out of our processing facility. Having our own processing facility will help utilize more of the animal by dry aging, curing, and smoking certain products to add value as well as reduce waste. Processing animals for other farms and companies will help bring in additional funds for the business. USDA processing facilities are very quickly booked as soon as they are opened.

## **Business Vision**

- Become a successful direct marketer of high quality meat product that fills a void between big box suppliers and local farmers.
- Continue to establish a brand identity for Kilcoyne Farms in the Upstate New York marketplace.
- Utilize current relationships and become a known commodity to chefs and individuals in their marketplace.
- Be a preferred supplier of high quality and value added meats.
- Grow the family farm business into an enterprise that supports the families of those who help advance the vision and mission.
- Grow the USDA processing facility into a well respected and efficient facility focusing on providing not only Kilcoyne farms with a quality service/products but the surrounding community as well.

## **Business Mission**

The Kilcoyne's business mission for their USDA Processing facility is;

- To fill a void in the community for a much-needed USDA processing facility where farms are provided with a top quality service along with the ability to create value added products.
- To safely and humanly process animals for both Kilcoyne farms as well as other local and regional farms.
- To fill the void that now exists in the Upstate New York marketplace as a supplier of top-quality, New York State natural beef products directly to restaurants, institutions, and individuals.
- To direct market value added meat products such as custom dry aged, flash frozen, cured meats and smoked meats.
- To continue to serve the Capital Region, specifically Saratoga Springs with the best combination of quality product and service from a single vendor.

- To keep informed on the latest consumer trends to enhance our core line of New York State beef products.
- To charge a fair and market price for products sold, reflecting the quality of product and the value that we add for the customer.
- To operate the business in a manner that allows the Kilcoyne family to maintain a high level of profitability. Profitability will be required to grow and accomplished through a focus on continued sales growth and constant monitoring of expenses.

## **Core Values**

The Kilcoyne Farms family core values for their operation include:

- Providing for the humane treatment of their animals at all times.
- Promoting an environment for the animals that is free of hormones and feed grade antibiotics.
- Producing the highest quality product available on the market in Upstate New York.
- Honesty and integrity in dealing with all employees and customers.
- To operate the business in a manner that allows for growth not only of the company but for the surrounding community.

## **Risk Overview**

- Kilcoyne Farms has conducted an internal evaluation of the risks faced by the business. The largest risks include:
- The liability from employee injuries from working in a dangerous environment.
- The liability incurred when producing/ marketing a food product to end consumers.
- The liability incurred from delivering the product over the road.
- Pressure on profits from higher feed and other input costs.
- Kilcoyne Farms feels that the best protection against general or over the road liability is maintaining a high farm liability insurance umbrella. Kilcoyne

Farms currently has a liability umbrella of \$5,000,000. Kilcoyne Farms is also a Limited Liability Company which is a business entity designed to protect the owner's personal assets from liability.

## **Product**

Kilcoyne Farms **currently** offers high quality New York State beef to restaurants, hospitality institutions, universities, and individuals. All beef is grown, sourced, and processed in New York State. No hormones, no fillers, no additives, no preservatives, no feed grade antibiotics – ever. The processing facility will look to extend upon Kilcoyne Farms' current farm to table operation to offer in house processing of their animals as well as custom dry-aged and other value added meat products to its current product list. They will also be offering these services of processing animals as well as value added products to other local and regional farms in need of such services.

## **Customers**

In Kilcoyne Farms' current operation all accounts are serviced directly. Product is taken directly from cut facility to the customers' doorstep. For the USDA processing facility, Kilcoyne farms will not only be processing their own animals but the animals of other farms both local and regionally. There is a large need for USDA processing facilities in the agricultural communities so there will be no shortage of customers.

### **Current Customer List:**

Adelphi Food Truck (Saratoga)  
Adirondack Loj (Lake Placid)  
Barvino's (North Creek)  
Blue Moon Café' (Saranac Lake)  
Buns Burgers (Rhinebeck & Saugerties)  
Champlain Valley Physicians Hospital (Plattsburgh)  
CiRo's (Lake Luzerne)  
Chianti's (Saratoga)  
Crossroads Brewing Company (Athens)  
Duo Bistro (Kingston)  
Edible Roots Food Truck (Leeds)  
Essies (Poughkeepsie)  
Henry's (Ballston Spa)  
Huckleberry (New Paltz)  
Hudson Hills Café' (Cold Spring)  
Irises Café' (Plattsburgh)  
Ithaca Beer Company (Ithaca)  
Kinsley Hotel (Kingston)  
Kreature Butcher Shop & Liquids and Solids (Lake Placid)  
Lake George Club (Lake George)  
Lake Luzerne Market (Lake Luzerne)  
Lekker Food Truck (Kingston)

Little B's (Tarrytown)  
Little Italy (Tupper Lake)  
Livingoods Restaurant & Brewery (Peru)  
Longview Lodge (Long Lake)  
Lost & Found (Albany)  
Mirror Lake Inn (Lake Placid)  
Modern Taco (Red Hook)  
Motus (Utica)  
Murphy's Law Public House (Leeds)  
Nail Creek Pub & Brewery (Utica)  
New World Bistro (Albany)  
Next Door Kitchen & Bar (Ballston Spa)  
Nic L Inn (Poughkeepsie)  
North Country School (Lake Placid)  
North Country Food Co-Op (Plattsburgh)  
Otto's Market (Germantown)  
Pakt (Kingston)  
Pasquele's Restaurant (Peru)  
Pearl St Pub (Albany)  
Public House 42 (Albany)  
Red Dog Tavern (Old Forge)  
Rock Da Casbah (Saugerties)  
Salt American Bistro (Broadalbin)  
Salt & Char (Saratoga)  
Savoy Taproom (Albany)  
Sunny Adirondack Culinary School - Seasoned (Glens Falls)  
Shindig (Woodstock)  
Steuben St. Market (Albany)  
The Adelphi Hotel (Saratoga)  
The Maker Hotel (Hudson)  
The Hen & The Hound Bistro (Middleburgh)  
The Huddle Kitchen & Bar (Lake George)  
Tubby's (Kingston)  
Woodnotes Grille (Mt. Temper)  
Woodstock Meats Butcher Shop (Woodstock)  
9 Miles East Farm (Schuylerville)  
The Cleverdale County Store (Cleverdale)

## **Distribution**

Kilcoyne Farms currently has a fully operational and successful distribution network in place. Owning multiple, fully inspected state of the art USDA approved refrigerated vehicles. Kilcoyne Farms will continue to service current customers with weekly deliveries as well as being more than capable of taking on new clientele of any size.

## **Future of the Company**

The protein market is highly competitive but we believe that there is a place in the market for high-quality beef, custom dry-aged meats, smoked meats, and value added products that can be offered through Kilcoyne Farms. With the addition of its

own USDA processing facility Kilcoyne farms has the ability to expand as large as needed without scheduling conflicts with a third party processor. This facility will also give Kilcoyne farms another large steady source of income from processing for other local and regional farms.

## **Company Description**

The facility will be a USDA slaughter and processing facility for whole animal butchering. This facility will be unique to the area as one of very few USDA processing facilities in the country. This facility will also have the ability to create value added products such as; dry aging, smoking, curing, and cooked products. Partnering with culinary institutions such as Suny Adirondack for educational purposes will help aid in the quality of our value added products putting the facility well above other processing facilities.

## **Mission Statement**

***Kilcoyne Farms will continue to strive to be a successful direct marketer and preferred supplier of high quality New York State beef.***

***Additionally, Kilcoyne farms will strive to provide the community with a top quality USDA processing facility that will strive to handle and process animals in the upmost humane way possible as well as provide a much needed service to other local and regional farms.***

There is not currently a large scale USDA processing facility that would also offer the option of value added products that Kilcoyne Farms facility would offer. Most of the local processing facilities are completely booked for 8-12 months and offer minimal processing options.

## **Principal Members**

Patrick Kilcoyne – Owner and founder of Kilcoyne Farms

Cody Kilcoyne – Business Manager, Sales Manager

Jake McLaughlin – Project Manager, Bookkeeper

## **Employment/ Job Creations**

### **Management/ Principal Member Duties:**

Patrick Kilcoyne – Management and Consultation – Full Time

Cody Kilcoyne – Owner, Operations Management – Full Time

Jake McLaughlin – Owner, Operations/ Administrative – Full Time

### **Second Level Employees/ Duties:**

10-15 full time (Butchers)

10-20 full time (Packaging/Distribution)

3-5 full time (Office/record keeping)

Potential internships and apprenticeships (Butchers/supply chain management/Chefs for value added product lines)

### **Legal Structure**

Kilcoyne Farms is an LLC. Kilcoyne Farms: USDA processing facility will be a new LLC created to form some distinguished lines between the two entities as well as provide opportunity to bring Cody Kilcoyne and Jake McLaughlin in as partners for operations of the processing facility.

## **Market Research**

### **Industry**

Currently there is a couple of local USDA processing facilities in New York that would be direct competition to Kilcoyne farms. None of the facilities would be as large as Kilcoyne farms facility nor would they offer the amount of additive products as well as our industry knowledge from years of working with chefs and the general public. There are currently only around 800 USDA Slaughtering facilities in the country with around 2 million farms. That leaves a staggering 2,500 farms per USDA slaughtering facility. There would be no shortage of work as soon as the facility was to open.

### **Detailed Description of Customers**

There will be a few main customer bases for this facility. Kilcoyne Farms being able to utilize its own facility to help its distribution side of the business grow to name one. Another being other local farms that will be able to schedule their animals to be processed by Kilcoyne farms as well as large companies looking to value add to their products at Kilcoyne farms facility.

Kilcoyne Farms currently targets the high-end restaurant and individuals in the higher wealth segment. Our customers are willing to spend more money on products that prove to be of high nature. Local restaurants, residents and tourists that are in need of farm to table products will continue to be a focus of Kilcoyne Farms.

## **Company Advantages**

No hormones, no feed grade antibiotics, no fillers, no preservatives. Grass-fed, pastured raised, and natural – that’s our specialty.

Kilcoyne Farms already services the greater Capital District and New England through restaurants and hospitality institutions.

- A successful distribution program is already in place.
- Face-to-face interactions with Executive Chefs from the area.
- Partnering with the experience of numerous chefs such as:
  - Chef Ric Orlando – New World Bistro
  - Suny Adirondack Culinary Division

All cattle are sourced, carefully selected, and processed in New York State.

All animal slaughter will be performed at Kilcoyne farms USDA inspected facility.

Kilcoyne Farms USDA facility will be a one of a kind, top of the line facility with numerous options for value added products. Local and regional farms/companies will be able to get their animals processed at this facility as well as having the ability to get their products value added to maximize profits from the animal.

The facility will be large enough with room to expand as needed so that there will be opportunity to service as many customers as needed.

The Agricultural community is in desperate need of more processing facilities.

A functioning family owned and operated business with a well-recognized brand in the market.

Restaurants are in need of high end products with additional offerings of custom cuts and dry aged products.

Local grocery store chains such as Price Chopper/ Market 32 and local convenience stores such as Stewart's don't currently have options for New York State beef.

## **Regulations**

All animals are currently slaughtered at USDA inspected facilities. Our new facility will also need to be under the same USDA umbrella.

All animals will be humanly handled and slaughtered to ensure the least amount of stress as possible.

Processing will be strictly regulated and recorded for the upmost transparency as well as traceability.

Top of the line equipment will be utilized in order to ensure the best and safest products possible.

## **Service Line**

### **Product/Service**

High Quality New York State Beef

Premium cuts, fresh and frozen – Restaurants, Individuals, Grocery Stores

Custom dry aged – Restaurants

Custom cut orders – Restaurants and Individuals

Cured Meats – Restaurants, Individuals,

Smoked Meats – Restaurants, Individuals

Flash Frozen Meats – Hospitals, Schools, Convenience Stores, and Grocery Stores

### **USDA Processing Facility:**

Kilcoyne Farms will be providing the local and regional community with a facility to slaughter and process their livestock. This service will bring in a large new customer base for Kilcoyne Farms. The facility will offer custom cutting as well as options for numerous value added products. This facility will also double as an educational facility for local culinary institutions where their students can get real USDA working experience as well as learning the dying art of whole animal butchering.

### **Product Life-cycle**

All current Kilcoyne Farms products will be available and used for the current distribution operation. Kilcoyne Farms will continue to service it's accounts but will look to utilize this additional outlet for faster and additional opportunities for turnaround of product. Animals will be slaughtered and processed at Kilcoyne Farms USDA Facility. Upon processing, product will be distributed and sold to existing and new customers.

### **Need for Quality Control**

Kilcoyne Farms has lost many customers over the course of the 2017 year as shown on the reports resulting in loss of income due to nothing other than lack of quality control from the outside butchering being done to our animals. In order to retain all current customers as well as gain a large new customer base, Kilcoyne Farms needs

to have its own butchers at its own facility where there is always an emphasis on quality product and work. This will also help utilize more of the carcasses. Currently Kilcoyne Farms only has the option to make burger and harvest a few select higher end cuts from the carcasses. This USDA facility will allow for dry aging, smoking, and curing of products in order to add value or extend life cycle of the product. This will also come very close to eliminating all current waste from the carcasses by being able to utilize the entire carcass in other areas that they are not able to utilize currently.

## **Intellectual Property Rights**

Kilcoyne Farms is currently in the process of seeking Trademark for Kilcoyne Farms. This process will help secure and build the “Kilcoyne Farms” brand.

## **Marketing & Sales**

The marketing portion of the business plan is essential for the continued sales and margin growth of Kilcoyne Farms and The USDA facility. Marketing efforts will consist of making contact with restaurants throughout the Capital District and get them to try our product. Once they buy product, they will be approached on featuring the Kilcoyne Farms name on their menu.

Other marketing activities planned include:

- Making contact with local and regional farms/companies letting them know when the facility will be open for business. The demand for USDA plants is so high there no anticipated shortage of customers.
- Making contacts with grocery store chains (ie. Hannaford, Price Chopper/ Market 32) to direct market, local, New York State beef.
- Making contacts with convenience store chains (ie. Stewart’s and Cumberland Farms) to direct market flash frozen products.
- Making contacts with area School Districts and Universities to direct market, local, New York State beef. As well as offer flash frozen products.

- Putting on seminars for restaurants/chefs to teach them about Kilcoyne Farms product.
- Implement an educational aspect for local culinary arts programs such as offering butchering classes as well as internships for young people to learn more about the art of butchering whole animals.
- Donating to charity dinners and cook off events to allow chefs an opportunity to sample Kilcoyne Farms product and help promote the brand.
- Take part in wine and food tasting events when possible to obtain exposure in the market.
- Ask restaurants to put our name on their featured menu items that Kilcoyne Farms supplies.
- Become featured by as many area restaurants as possible as well as local area dining guides.

## **Budgets and Projections**

### **Timeline**

#### Year One

- Purchase land, build facility, get USDA inspections (months 1-8)
- Hire/train employees (months 6-8)
- Open USDA Slaughtering and processing for Kilcoyne Farms distribution business (months 6-8)
- Open USDA facility for outside contracted processing (months 8-12)
- Add Value added products for customers (months 8-12)

#### Year Two

- Add commercial kitchen (months 12-15)
- Add contracts/agreements with larger companies such as grocery stores, convenience, and hospitals (months 15-20)

## Year Three

- Add apprenticeship and internship programs for local schools and aspiring butchers (months 36-40)
- Add whole animal butchering classes offered in our cut rooms (months 36-40)

## Financial Plan

Maintaining strong earnings and equity position is a key objective for Kilcoyne Farms in its business plan. Sourcing a supply of low cost debt capital is critical to meet the sales and cash flow projections in the budgets.

The financial plan action items include:

- Maintaining strong internal controls in regards to bookkeeping, accounting procedures, expense detail, and filing systems. Annual review of these procedures with Farm Credit East personnel will be completed.
- Monitoring of actual revenue and expenses in comparison to budget on a quarterly basis.
- Measuring return on assets annually. The goal is > 10%.
- Monitoring balance sheet equity annually. The goal is to maintain > 50% equity at all times.
- Monitoring accounts receivable on a monthly basis. The goal is to maintain 90% of receivables at or below 30 days.
- Meet with lenders and investors at a minimum of twice annually to review financing needs.

## Funding Request:

### Equipment

- Walk In Coolers/ Freezers/ and Ice Machines \$100,000
- Thermometers \$1,000

- Band Saws \$3,000
- Meat Grinders \$2,000
- Knives and Sharpeners \$2,500
- Cutting Boards \$1,000
- Tables \$2,000
- Commercial Food Grade Containers \$1,500
- Floor Mats \$1,000
- Meat Hooks \$6,000
- Rail Systems \$20,000
- Hoses, Sprayers \$8,000
- Aprons, Hair Nets, Gloves \$1,500
- Vacuum Sealer \$10,000
- Meat Slicers \$2,000
- Dry Aging Room \$10,000
- Smoker \$25,000
- Curing Room \$45,000
- Boxes \$10,000
- Bags \$8,000
- Patty Machine \$30,000
- Patty Paper \$1,000
- Fork Lift/ Pallet Jacks \$ 25,000
- Bar Coding System \$100,000
- Roll Stock Machine \$200,000
- Estimated 20 – 25 Employees/ Payroll \$1.2 Million
- Real Estate \$230,000
- Estimated Construction \$1.9 to \$2.2 Million
  - Based On Approximate Rough Order Of Magnitude

## **Real Estate**

The target location for the slaughterhouse is located in Washington County. This lot will be 10-35 acres in size and allow for building/ expansion as the mission and vision are realized. This lot is located in the Warren/Washington county Airport industrial park.

### **Construction Plans:**

Kilcoyne Farms has met with and retained Munter Enterprise Inc. for construction as well as Paone Architecture P.C. for the architectural work. Nicole Gray of AgriForaging Food Safety and Federal Food Safety Compliance has also been retained as a USDA designer to help design the building and take Kilcoyne Farms through to its opening grant of inspection. All sides will make a smooth transition

into actual implication as soon as the purchase of the land is complete, carefully collaborating and laying out design/construction plans.

**Original Rough Order of Magnitude = \$ 1.9M to \$ 2.2M**

Kilcoyne Farms has met with Munter Enterprises and Paone Architecture with the focus on new construction consisting of 20,000 – 25,000 square foot USDA processing facility on a vacant lot. This lot will have access to town water and sewer lines as well as three-phase power. Kilcoyne Farms has met with the Washington county IDA, Cornell Cooperative Extension, as well as Nicole Gray (USDA plant designer) in regards to this 20,000 - 25,000 square foot facility in Warren/Washington County.

**Order of Magnitude= Still being discussed**

## **Financial/Projections**

See attached documents:

Exhibit 1 – Kilcoyne Farms Projected Financials