

Cold Spring Farm, LLC.

A Veteran Family-Owned Beef, Goat, Hay, and Timber Operation

in the Heart of the Ozarks.

- **Opportunity:** Cold Spring Farm, LLC, is a family-owned ranch with 120 acres of developed pastures, 240 acres of productive timber, and an additional 100 acres of leased pasture. It is located in the heart of the Ozarks, ++++++town+++++, a fast growing industrious and well-educated community near ++++++.
- **Mission:** We strive to produce healthy, grass-fed Angus beef, show quality Boer goats, chemical-free grass hay, and sustainably harvested timber.
- **Solution:** Using our current infrastructure, low overhead, and homegrown expertise, we have already proven that we can bring these products to market and will continue to do so with hard work and the reliability of a family-run business.
- **Market focus:** Health-conscious beef customers, a thriving regional show livestock industry, local farms, and a well-established regional timber industry are all our part of our customer base.
- **Competitive advantage:** We have been working with the USDA NRCS, and the Missouri Department of Conservation for 9 years to learn proper grazing techniques, implement a sustainable pasture rotation system with good fences and waterers. We have 2 hay barns and a livestock barn, as well as vehicles to get livestock to market. We have conducted two small timber sales and are currently working with a USDA forester to sustainably bring timber products to thriving local markets on a 5 year rotation for generations to come.
- **Ownership:** Joshua and Chiara Morris, a married couple, are the owners of Cold Spring Farm, LLC. Their daughters ++++++ work on commissions. Son ++++++ is in training. Joshua is a retired Captain who served in the United States Army Ranger Regiment and other units.
- **Expected returns:** We are currently in the process of increasing cattle herd numbers from 30 up to 35 cow/calf pairs, and increasing goat herd numbers from 45 to 60 breeding does. In addition, we are actively improving our soil fertility, organic material, and also the quality of our timber stands. Cold Spring Farm, LLC has slowly but steadily increased profits over the past 10 years, and with hard work and a little help from our friends, we will continue to do so for generations to come.

1. COMPANY OVERVIEW

- **Company summary:** Cold Spring Farm, LLC (CSF) is a small family-run farm specializing in the production of grass-fed beef, show-quality Boer goats, chemical-free hay, and white oak and walnut timber production. This LLC seeks sustainable growth and low overhead; profit growth achieved by increased efficiency, livestock health and genetic improvements, improved pasture health and production, greater use of equipment as opposed to manual labor, and increased use of renewable energy and electric vehicles.
- **Mission statement:** Cold Spring, LLC is a multi-faceted company, producing high quality grass-fed Angus beef directly to consumers, genetically superior Boer goats for show and for breeding, round and square bale hay for local consumers, and rotational harvest of timber products. We seek to accomplish all of this in a sustainable manner, increasing our use of renewable energy and electric vehicles, and increasing land fertility and abundance.
- **Company history:** Cold Spring Farm, LLC is a veteran-owned business, founded in 2012 by Joshua and Chiara Morris. CSF has increased profits each year for the past 10 years and has never shown a net farm loss. It has grown from a 160 acre operation in 2012 to 360 owned acres with 100 acres leased for a total of 460 managed acres in 2023.
- **Markets and Products:** The various markets targeted by CSF allow for a great amount of flexibility based on changing market opportunities and challenges. In any given year, one market can shrink and others may grow to fill in revenue gaps. These markets include local beef markets, feeder cattle markets, national show and breeding goat markets, the local hay market, and approximately every 5 years, the timber market.
- **Operational structure:** Cold Spring Farm, LLC (CSF) has the unusual advantage of being family run without the need for outside employees. This avoids the stress of payroll management and lowers the net income necessary to continue profitable operations.
- **Financial goals:** We hope to pay off the land loan within 10 years and pay off all equipment within 5 years. Rather than grow our workforce, we hope to mechanize and electrify farm equipment and vehicles on the farm, along with installing more renewable energy, in order to lower our recurring energy costs. By paying off land and equipment loans as well as replacing labor with better equipment and facilities, we hope to provide a secure “working” retirement for ourselves within 15 years. Upgrades to equipment and systems should be covered by periodic timber harvests, eliminating the need for future loans.

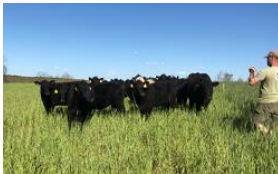
2. BUSINESS DESCRIPTION

- **Opportunity:** There is a high demand for healthier and more environmentally responsible meat products and grass-fed beef continues to be in higher and higher demand. Cold Spring Farm, LLC, has recently marketed 1000 lb. cattle for a profit in excess of \$1600 per head with minimal marketing of our beef packages. There is also a midwestern feeder calf market in our area, to sell surplus calves and hay.

The show animal and show goat industry is also growing at a fast pace as rural and even suburban families are looking for ways to keep children engaged in health activities. We have marketed show and breeding goats for as high as \$3500 per head.

Our region supplies a strong demand for timber, notably White Oak and Black Walnut, which grows readily with very little input on our 240 acres of forested land.

- **Products Gallery (all Photos courtesy of Cold Spring Farm, LLC)**



Grass-Fed Beef



Show Quality Boer Goats



Hay



Timber

- **Product Descriptions**

- **Grass-Fed Beef:** Cold Spring Farm, LLC raises primarily black angus beef cattle, with half being purebred registered black angus, and half being commercial cross-breeds. Average herd size consists of 25 breeding cows with calves, one or two breeding bulls, and a variable amount of replacement heifers. Our beef is often sold in packages, processed off-site and inspected by the USDA. Our most popular package is the +/- \$200 value pack, which is about 1/10th of a beef. We deliver frozen packages to the local area. We occasionally will sell half or whole beef packages upon request. Calves or older cows that are not slated for meat sales are usually sold at one of 4 auctions in our local area.
- **Show Quality Boer Goats:** Cold Spring Farm, LLC keeps approximately 40-45 registered purebred Boer goat females with their goat kids and one or two breeding bucks, along with a variable number of replacement doelings. Boer Goats have an average of 2 kids each. Goat kids are reserved within a few days or weeks of being born and are usually reserved quickly for use in livestock shows or in breeding programs. Goat kids leave the farm at 12 weeks of age and generally are sold between \$400 to \$1000 each with older breeding bucks going for \$1500 to \$2500 each.
- **Hay:** We bale approximately 400 round bales at 800 pounds each and 250-300 square bales at 50 pounds each, annually. About 60% of this hay is consumed

by our livestock. Average prices for round bales have been \$40 each and \$5 each for square bales.

- **Timber:** Cold Spring Farm, LLC has approximately 240 acres of standing timber in various stages of maturity. There is a large amount of valuable white oak and a small amount of extremely valuable black walnut, along with other moderately valuable species. The largest white oak stave mill in the world (for alcohol barrels) is within 50 miles of our location and several other types of sawmills are nearby. We have conducted 2 timber harvests on 2 locations in the past 20 years, yielding \$375 profit per acre on the first harvest and \$700 per acre profit on the second harvest. All logging operations are contracted out. We are working with a USDA forester with a goal to harvest 60 acres every five years, taking only trees above 14 inches diameter at breast height (dbh).

3. OPERATING PLAN

- **Beef Order Fulfillment:** Beef is advertised on social media on approx. 10 local buying and selling groups similar to classified ads. In addition, a list of phone numbers of regular customers are used to notify them when beef is being processed. Two years ago, beef would be kept in stock year round but demand is now high enough that it is generally sold out within 2 weeks of each of 4 butchering dates within the year.
- **Goat Sales Procedures:** Cold Spring Farm, LLC is the sole administrator of a social media group for Boer goats with over 20,000 members, adding over 500 members per month. Most of our goat sales use this group, although we advertise on other groups. Male goats are generally marketed and sold within a few weeks of being born, leaving the farm at 12 weeks of age. Female goats are kept to evaluate for retention or fed out and grown for sale throughout their first year.
- **Hay Sales:** Sold on local social media groups and classifieds.
- **Timber Sale Procedures:** We maintain a list of reputable timber harvesters in our area who come out and are shown the timber. Our goal is to get 3 or 4 bids and workout a performance contract. Timber is paid for before it is harvested. Alternately, some landowners will sell timber on shares, generally taking 50%, but we prefer an upfront payment and have not yet sold on shares.
- **Key customers:** Several local families have been recurring beef customers spending in excess of \$2000 on our beef, each family, annually. In the goat industry, key customers tend to buy breeding stock over the course of one year, and then stop buying once they have a established a herd. Hay and timber customers have varied over time and this is an area where key relationships could be built in the future.
- **Key employees and organization:** Owners Joshua and Chiara Morris do 80% of the daily work of caring for livestock, pastures, and the hay harvest. Their key skills are an advanced knowledge of pasture rotation, fertility, and planting. In addition, Joshua is familiar with all aspects of the hay harvest, equipment maintenance and use, and hay storage. Daughter ++++++ Morris works on commissions and manages all aspects of livestock shows. She typically wins grand champion, bringing customers to purchase from us. Daughter ++++++ Morris works on commissions and manages sales of livestock, online communications, and transactions. She works remotely while away in college. Son ++++++ is young and in training. Various farmhands have been hired on a temporary basis but operations are currently running smoothly without a farmhand.

4. FINANCIAL SUMMARY

In 2021, Cold Spring Farm, LLC built continued to grow profits steadily as we have for the past 12 years. 2021 was typical of what we expect in the future except that we hope to grow our beef and goat herds and raise profits in those areas. While starting the process of growing those herds, hay profits have decreased, and expenses have gone up slightly. Nonetheless the profit margin is expected to increase with the size of these herds. While profits continue to increase for the farm, we are seeking additional sources of revenue for infrastructure investments so that we can continue to build a sustainable, productive farm, that will provide American-grown livestock and products for generations to come.

| Item 2021 | Income | Expense | Profit |
|------------------------------|-----------|-----------|-----------|
| Goat Sales | \$ 19,677 | | |
| Goat Feed + Mineral | | \$ 7,420 | |
| Other Goat Expenses | | \$ 1,440 | |
| Profit From Goats | | | \$ 10,817 |
| Livestock Guardian Dog Sales | \$ 6,000 | \$ 600 | \$ 5,400 |
| Beef Sales | \$ 16,326 | | |
| Pasture Lease | | \$ - | |
| Beef Expenses | | \$ 4,837 | |
| Profit from Beef | | | \$ 11,489 |
| Annuitized Timber Profit | \$ 6,500 | | \$ 6,500 |
| Hay Sales | \$ 60 | | |
| Profit from Hay | | | \$ 60 |
| USDA Conservation Payments | \$ 5,064 | | |
| Seed | | \$ 545 | |
| Fertilizer | | \$ 1,089 | |
| Fuel | | \$ 3,099 | |
| Farm Electricity | | \$ 405 | |
| Subsidy minus Costs | | | \$ (74) |
| Gross Income | \$ 53,627 | | |
| Total Expenses | | \$ 19,435 | |
| Total Profit | | | \$ 34,192 |