

Cattle Farming at Scale: Financial & Operational Strategy

Navigating the 44-month path to profitability and \$106M EBITDA.



The J-Curve: High barriers, exponential backend rewards



The \$700k Foundation & The Debt Trap

Initial CAPEX Breakdown

Initial Herd Acquisition \$350,000

Barns & Infrastructure \$200,000

Land Improvements \$100,000

Essential Gear \$50,000

TOTAL CAPEX \$700,000

The Warning: Cash Flow Squeeze

Debt service (est. \$7,000/mo) hits EBITDA before feed costs are paid. This drains liquidity during the negative cash flow years.



Strategy: Lease specialised processing gear. Negotiate longer loan amortisation to preserve cash.

Survival Metric: The \$1.08M Bridge

Working capital requirements to survive Years 1 through 3.



Year 2 Reality

Operational Loss:
\$442,000

Labour Floor

Fixed Wages:
\$260,000/yr

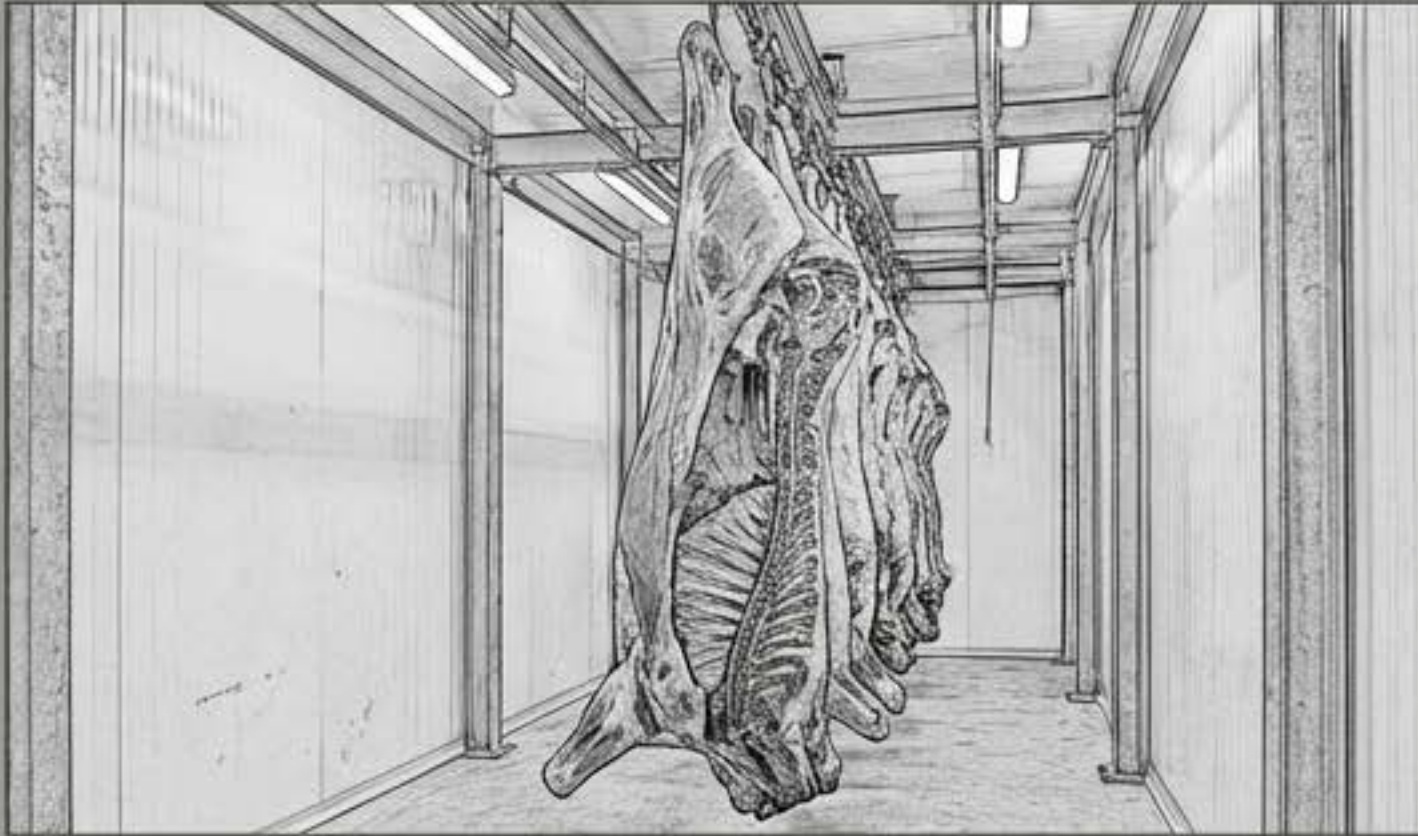
Total Buffer Required

\$1,086,000
Cumulative

“Fundraising is not optional; it is the core survival metric for the 44-month gestation period.”

Revenue Lever: Channel Mix Strategy

Wholesale Model



Price: \$1,500 / kg

Volume: High

Margin: Low

Outcome: \$150k per 100kg processed

+\$1,000/kg Uplift

Direct-to-Consumer (D2C)



Price: \$2,500 / kg

Volume: Low/Targeted

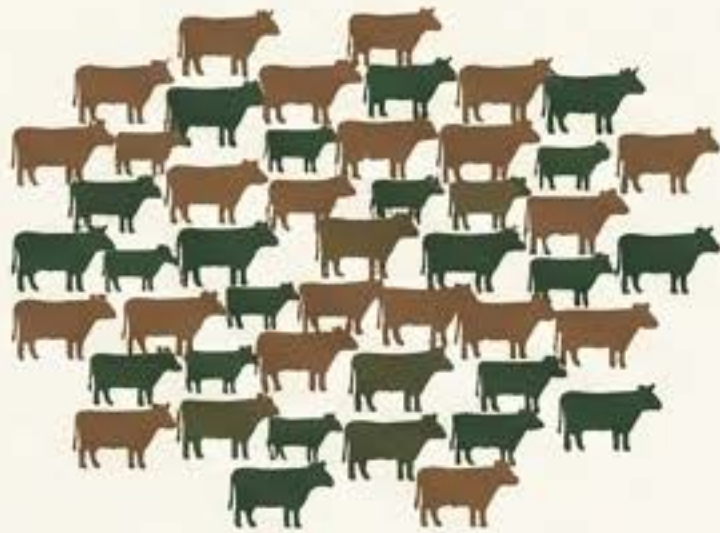
Margin: Premium

Outcome: \$250k per 100kg processed

Action: Shift 20% of volume to D2C to add \$100,000 revenue per cycle. Do not let high-value inventory sit

Volume Lever: Diluting Fixed Costs

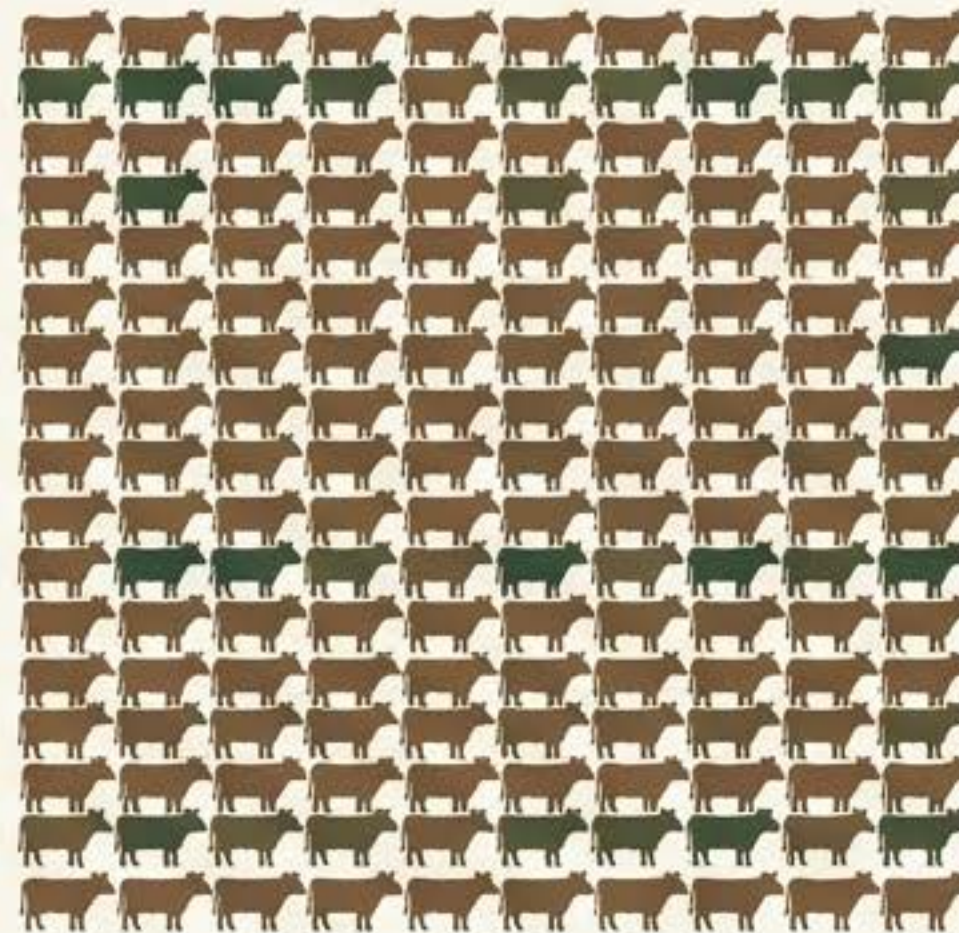
Fixed Costs:
\$133,800



High Cost Per Head

Scale Factor:
4x Growth

Fixed Costs:
\$133,800

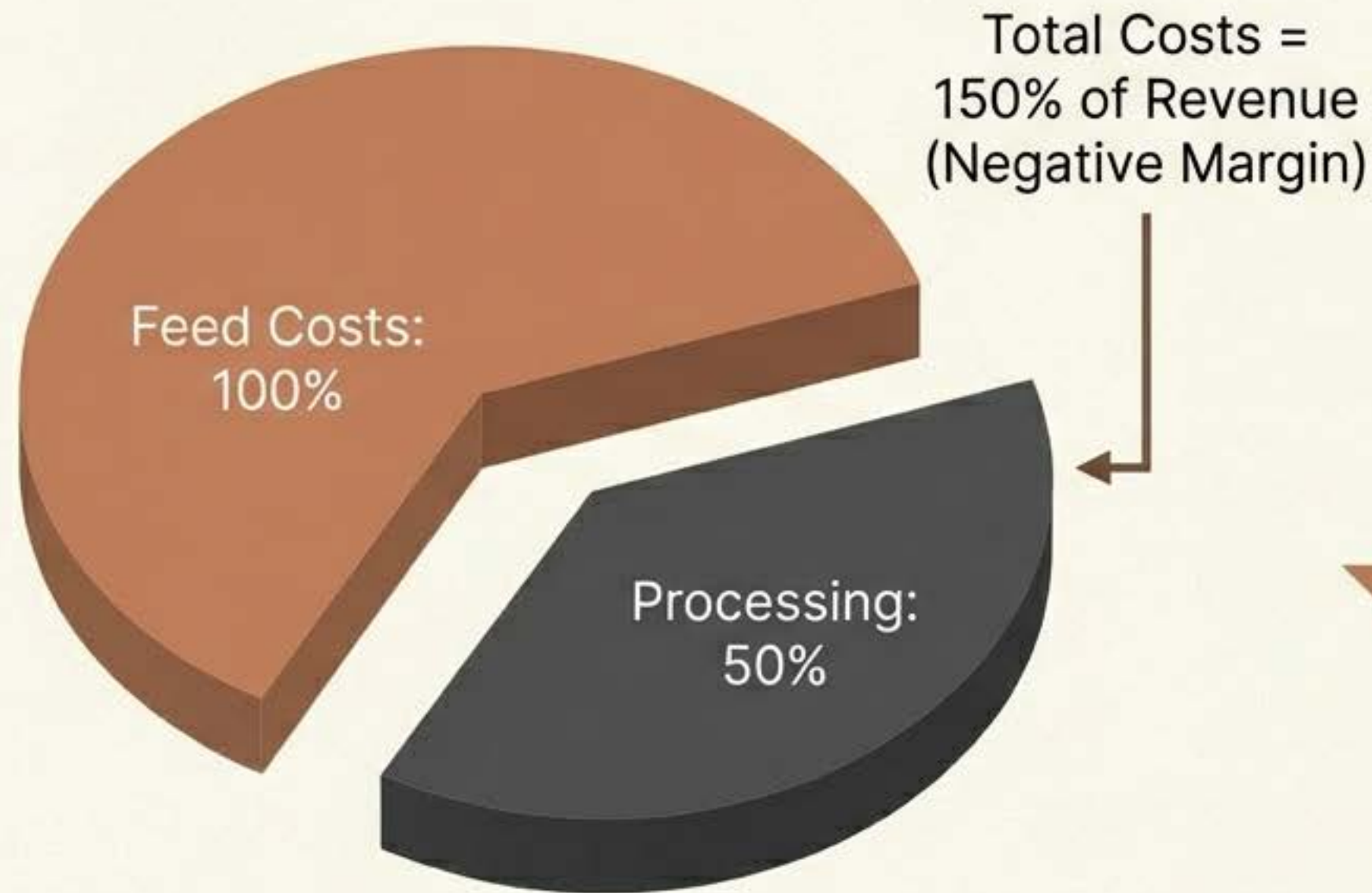


Optimised Cost Per Head

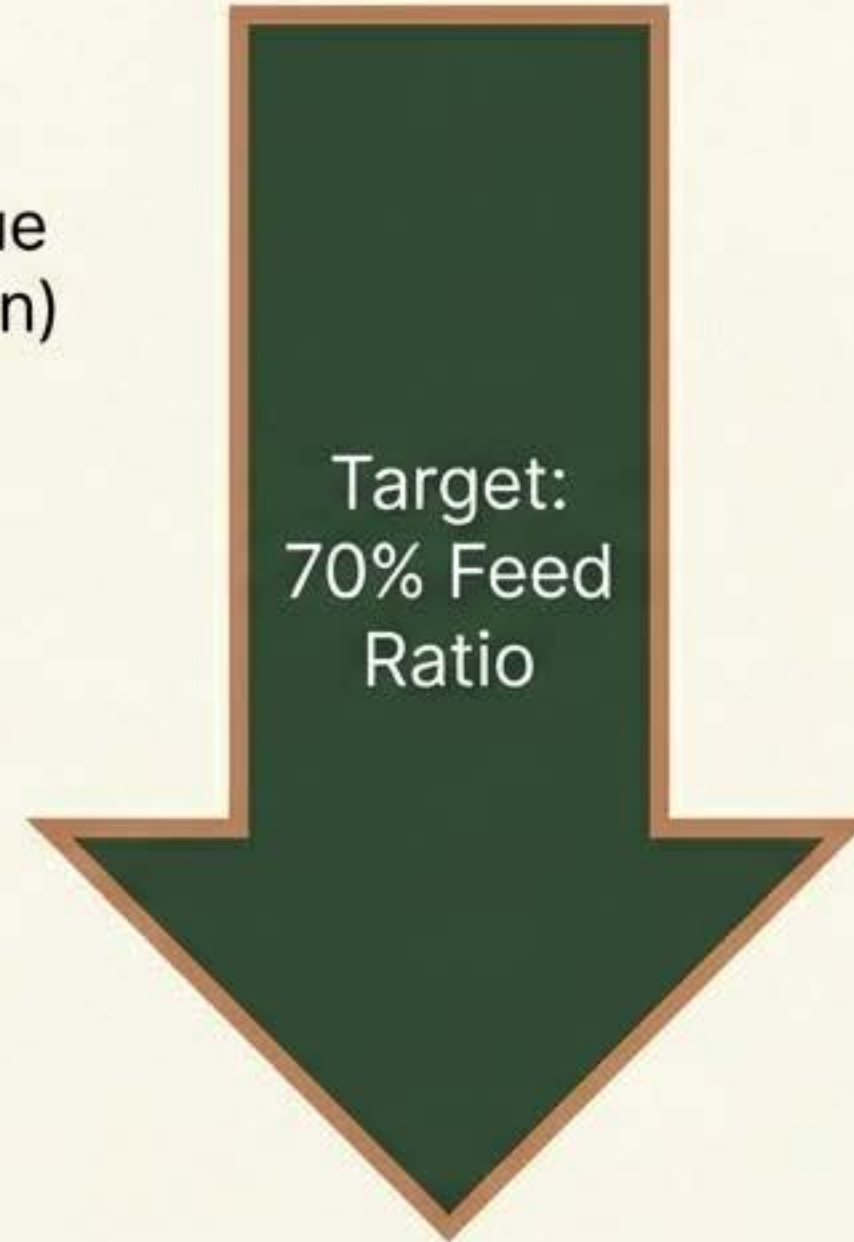
Fixed overheads (leases/maintenance) are constant. You must scale to 200 head to dilute the unit cost.

The Variable Enemy: Feed Costs

Year 1 Revenue Allocation



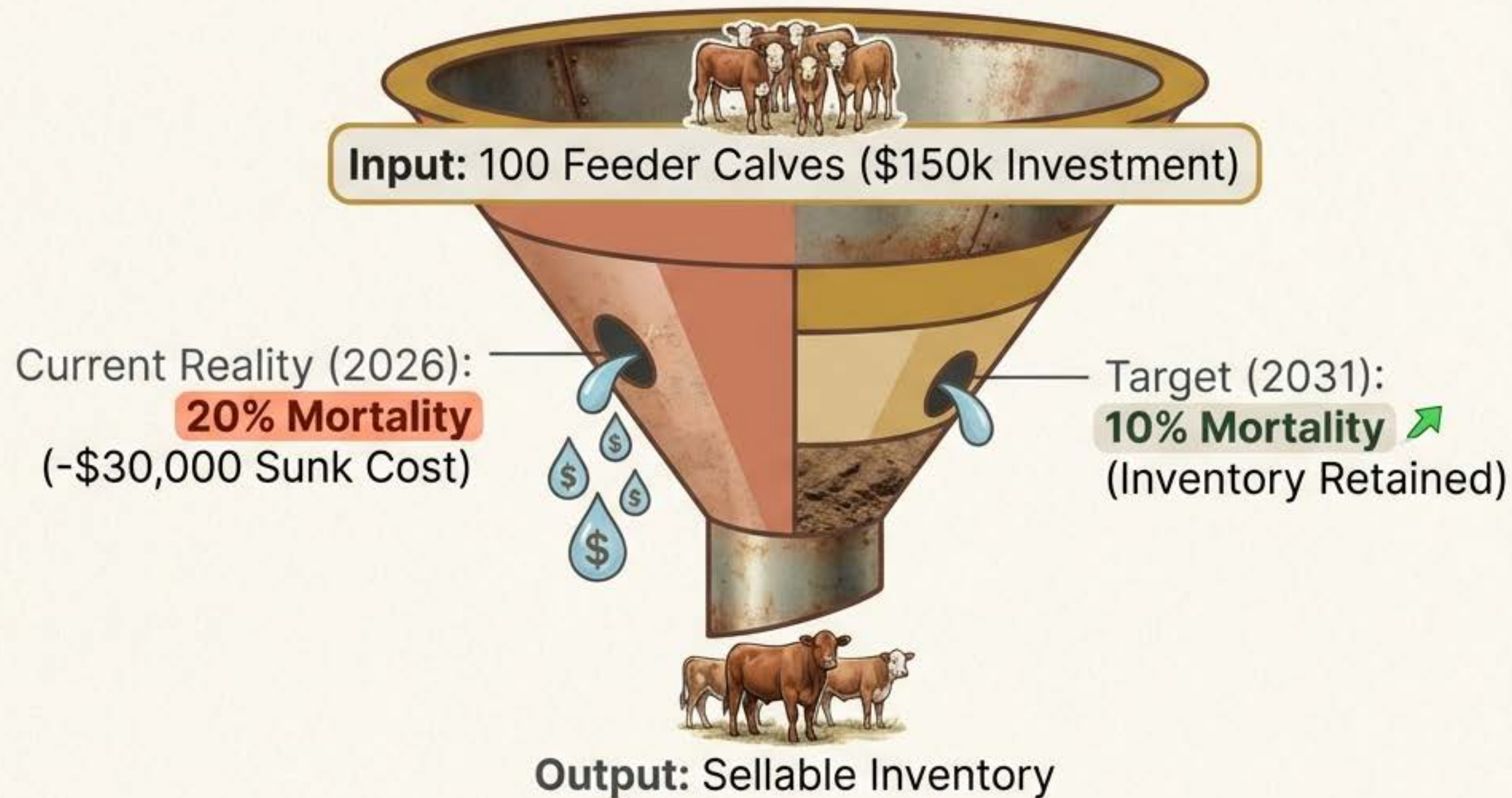
Year 1 Revenue Allocation



The Squeeze

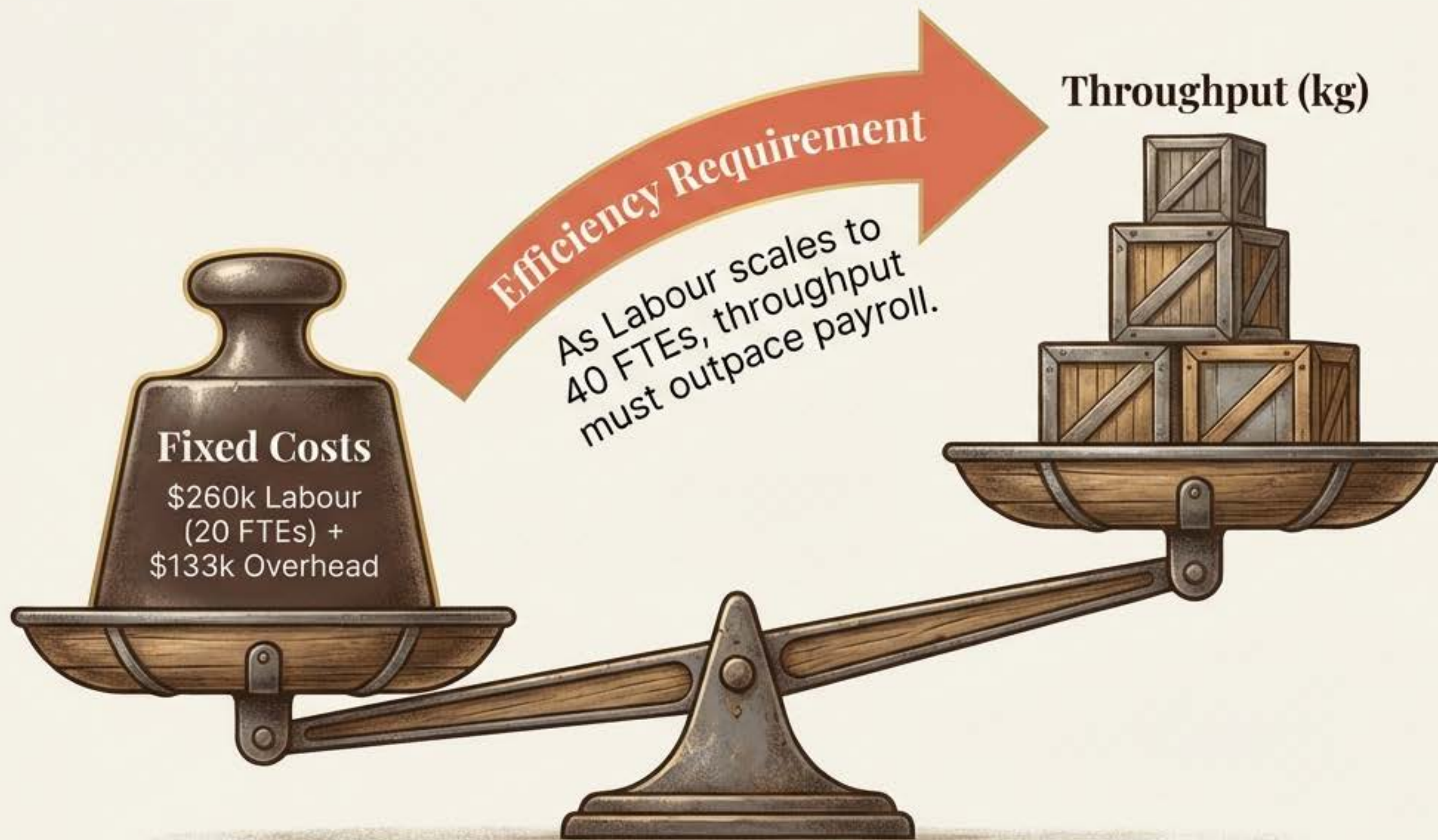
1. Negotiate bulk purchasing immediately.
2. Explore alternative feed sources.
3. Poor conversion destroys margin before scale is reached.

Operational Efficiency: Mortality Control



Impact: Missing the 10% target requires **11% more breeding females** to match output volume. Dead cattle are sunk costs.

Labour & Productivity Structure



Process flow improvements are not optional. Automation must justify the headcount increase.

The Strategic Checklist: 4 Pillars



Push D2C Mix
Target: \$2,500/kg.



Slash Feed Costs.
Target: 70% of Revenue.



Cut Mortality.
Target: 10% Loss Max.



Secure Liquidity.
Target: \$1.08M Buffer.

The 8-Year Roadmap



Patience is the most critical non-financial asset.

Patience is the Ultimate Asset.

Success in cattle farming is not linear. It is a game of managing intense cash pressure for 44 months to unlock exponential backend rewards. Capital reserves and D2C pricing are the only safety nets during thcimb.