

Strategic Dairy Farming: Operational Roadmap 2026-2035

Profitability through Specialty Production Mix &
Precision Agriculture

Confidential Investment Thesis | Series A Preparation

THE SCALE

250 Heads (2026)
→ **700 Heads (2035)**



THE FINANCIALS

49%

10-Year IRR

Breakeven: February 2026



THE ASK

CapEx: \$948k

Working Capital: \$273k

THE PIVOT

Strategy Shift:
Grade A Bulk →
A2A2/Organic Niche

Volume Covers Costs. Niche Drives Margin.



Grade A Bulk

50%

of 2026 Volume

Immediate Cash Flow &
Overhead Coverage



Organic & A2A2 Specialty

10%

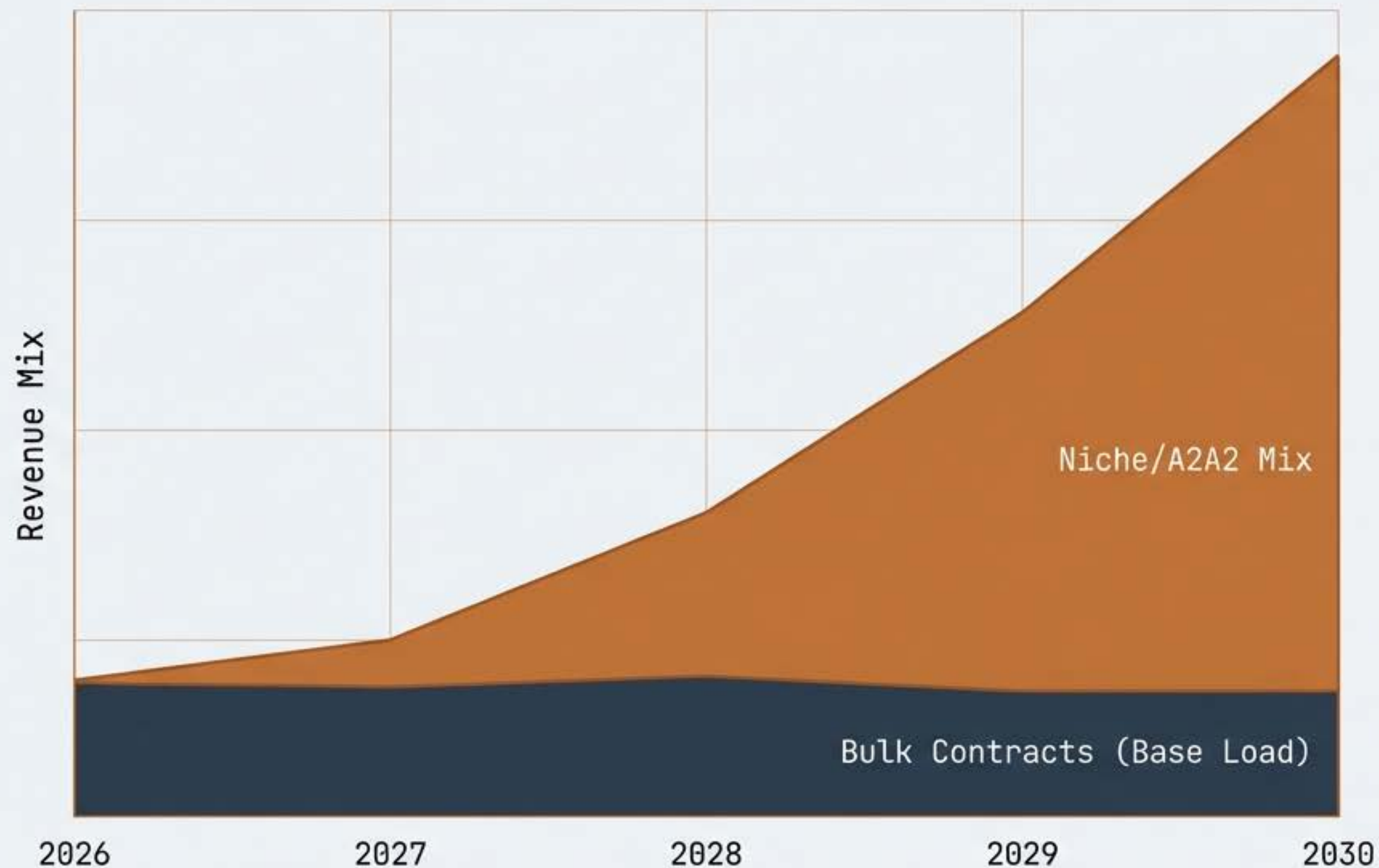
Target Share

Margin Expansion Driver

Target Premium Price: \$0.95 / unit

Aggressive transition required to maximize revenue per unit produced.

De-Risking the \$0.95 Price Point



- **Sales focus:** Secure multi-year commitments for specialty lines immediately.
- **Risk Mitigation:** Proving herd output consistency for A2A2 composition.
- **Constraint:** If onboarding specialty clients takes >60 days, churn risk rises.

Scaling Output: The 10-Year Trajectory



Moving from stabilization (2026) to maximum throughput (2035).
Every 100-unit increase requires precise feed conversion management.

Herd Management & Replacement Efficiency



Reducing the 45% output loss rate is the primary lever for capital preservation.

Taming the Variable Cost Ratio

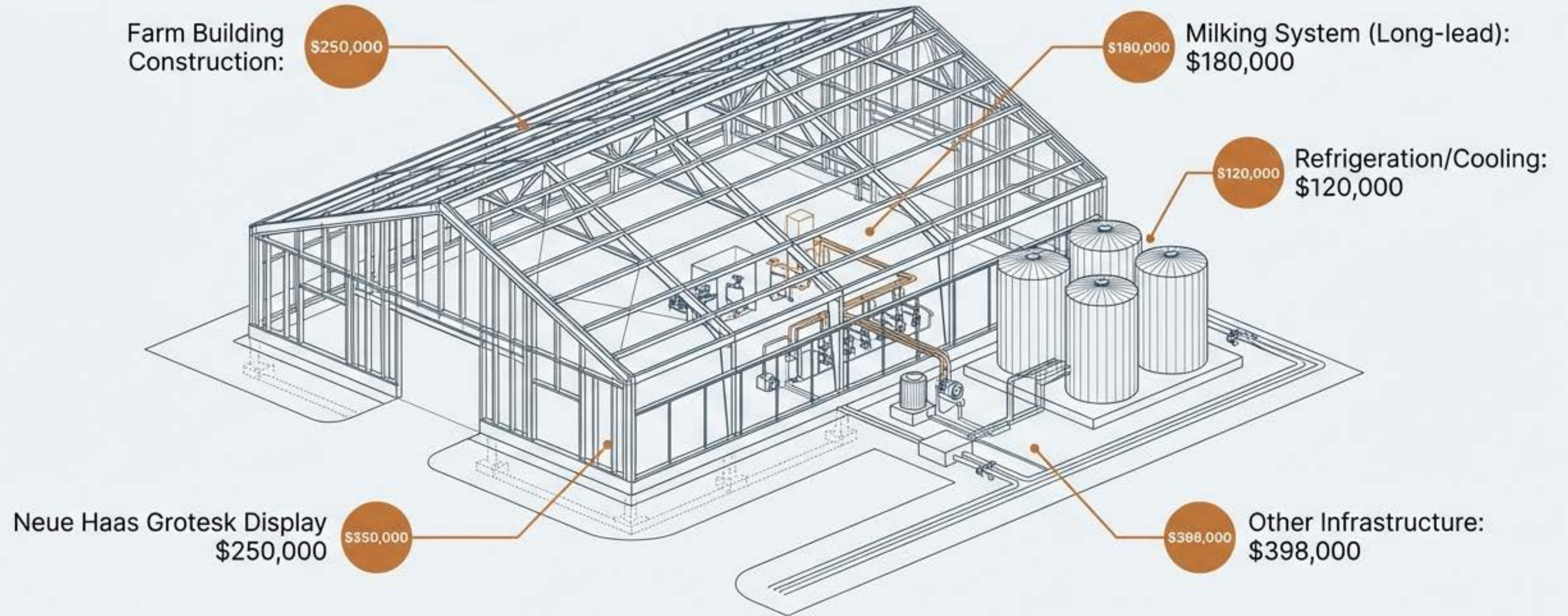


Feed Cost Warning:
Currently 125% of
projected 2026 revenue.



Strategy: Immediate capital investment in analytics platforms to track cost per unit of feed.

2026 Capital Expenditure: \$948,000



Q1
Procurement

Q3
Install

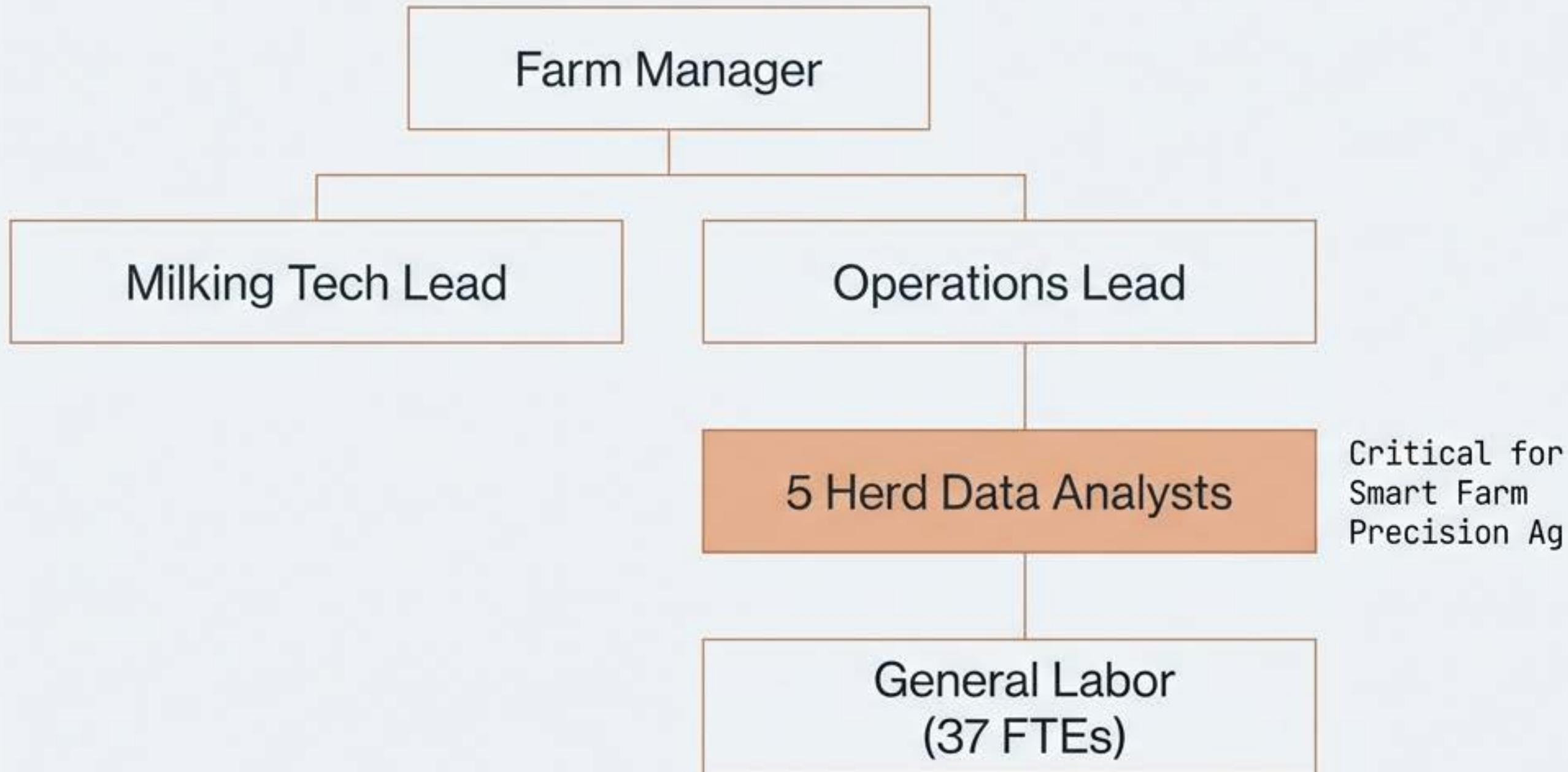
Oct 1, 2026
Commissioning Deadline

Working Capital & Liquidity Requirements



Must be secured by January 2026. Distinct from CapEx; this is the safety net.

Human Capital: The 2026 Operational Team



Total FTEs: 45

Future Hire (2027):
Veterinary Technician

Risk: Hiring delays
>14 days increase
churn risk.

Implementation Timeline: The Path to Stabilization



Critical Path: Vendor selection and permitting must happen immediately.

Breakeven Velocity



High variable costs (236%)
offset by volume to cover fixed
overhead within 2 months.

Rapid Stabilization

Financial Projections 2026-2035

49%

10-Year IRR

High
Growth
Yield

EBITDA Target Trajectory

Model assumes successful pivot to Niche Mix and 170% Variable Cost optimization.

Risk Mitigation Matrix

RISK	IMPACT	STRATEGY
Feed Price Volatility	High Variable Costs	Precision Ag & Analytics
Onboarding Delays	Churn Risk	Streamlined Hiring of 5 Analysts
Construction Delays	Missed Oct 1 Deadline	Q1 Priority Permitting
Herd Health	Mortality Spikes	Vet Protocols (<15% loss target)

Strategic frameworks to ensure operational stability and financial resilience.

Investment Summary & Ask

**Total Initial Funding
Need: ~\$1.22M**

Breakdown: \$948k CapEx (Infrastructure) + \$273k Working Capital

The Return: 49% IRR, Scalability to 700 Heads

Next Step: Funding close to initiate Milking System procurement.