



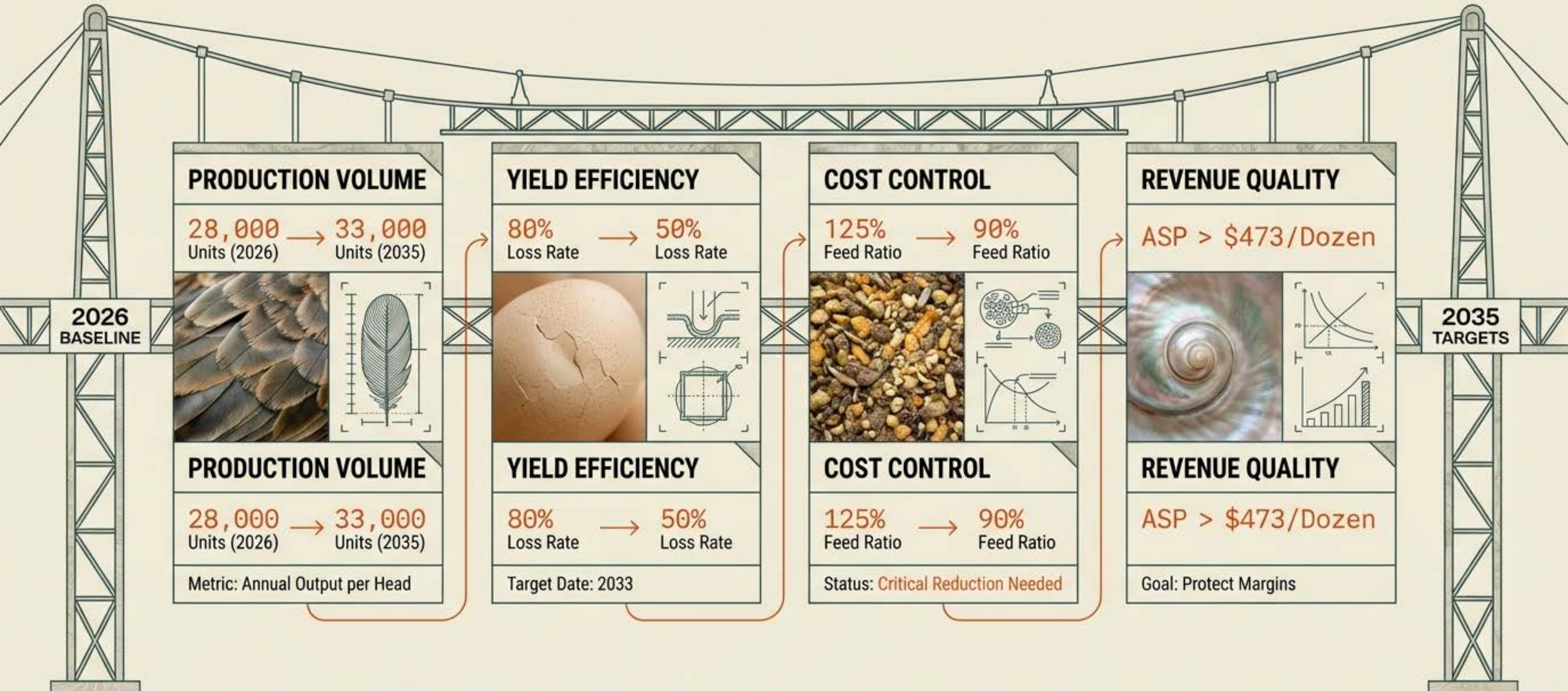
# PROFITABILITY THROUGH PRECISION

## The Egg Production Playbook

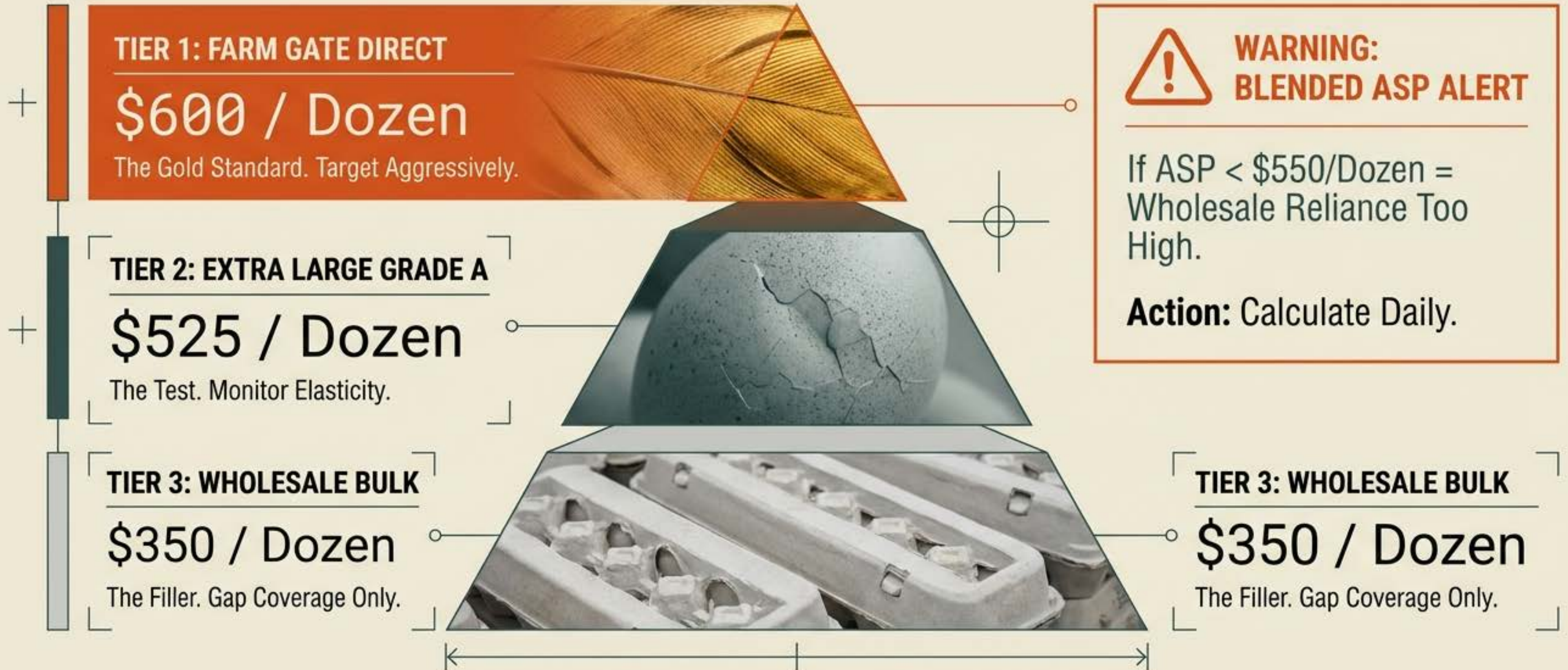
Financial Strategy, Unit Economics, and Operational KPIs for Scaling Efficiency (2026-2035)



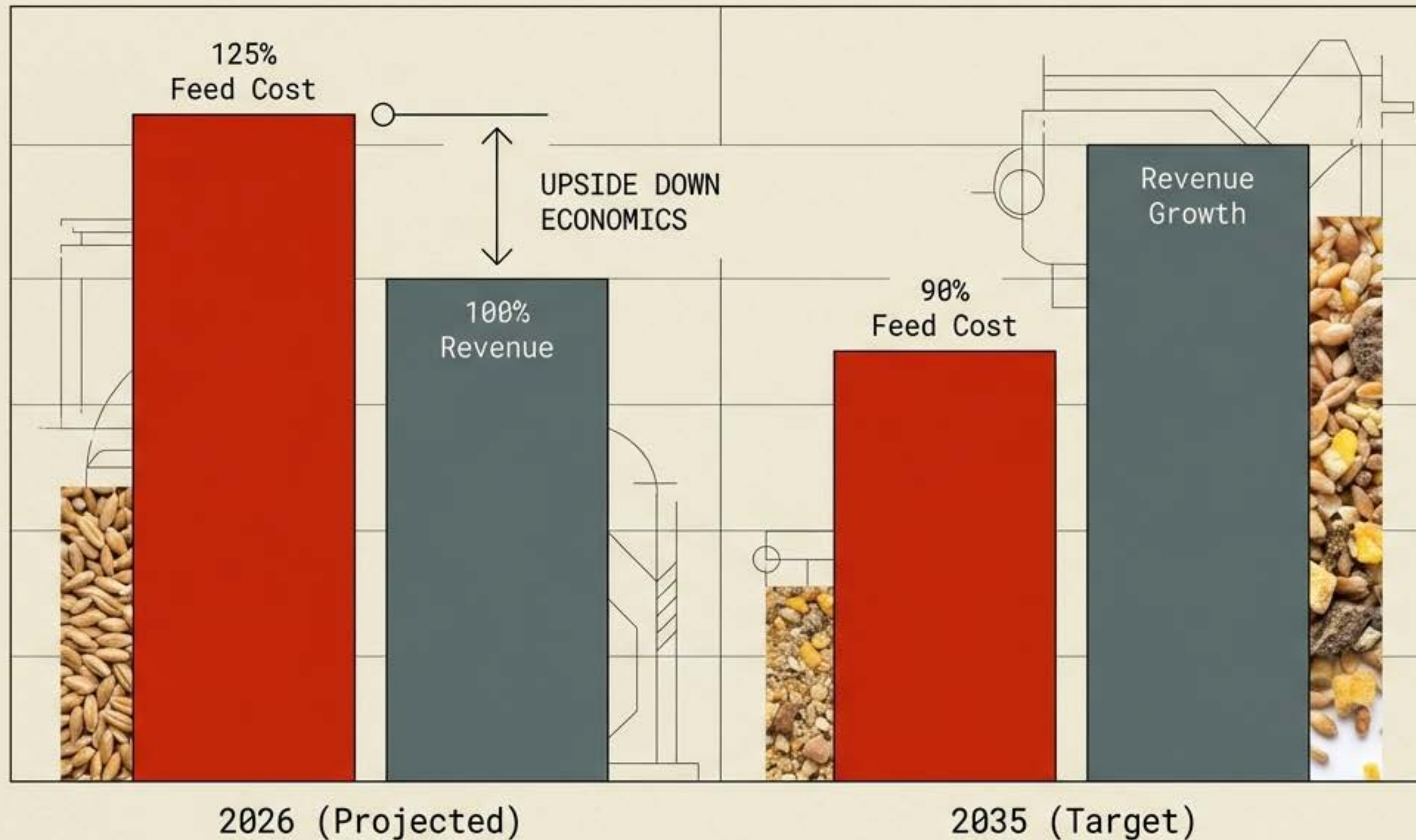
# THE STRATEGIC IMPERATIVES (2026 BASELINE VS. TARGETS)



# REVENUE STRATEGY: OPTIMIZING THE MIX



# COST STRATEGY: SCALING VARIABLE INPUTS



## Slate Steel

### OPERATIONAL LEVERS:

1. FEED: Negotiate multi-year bulk contracts.
2. PACKAGING: Target <50% of revenue. Optimize sizing.
3. YIELD: Maximize flock health to spread fixed costs.



# OPERATIONAL CONSTRAINTS: THE EFFICIENCY GAP



## LABOR EFFICIENCY TRACKER

Metric:	0.62	Churn Risk:	—
FTEs per Dozen	11.51	Onboarding > 14 Days = Consistency Drop	—

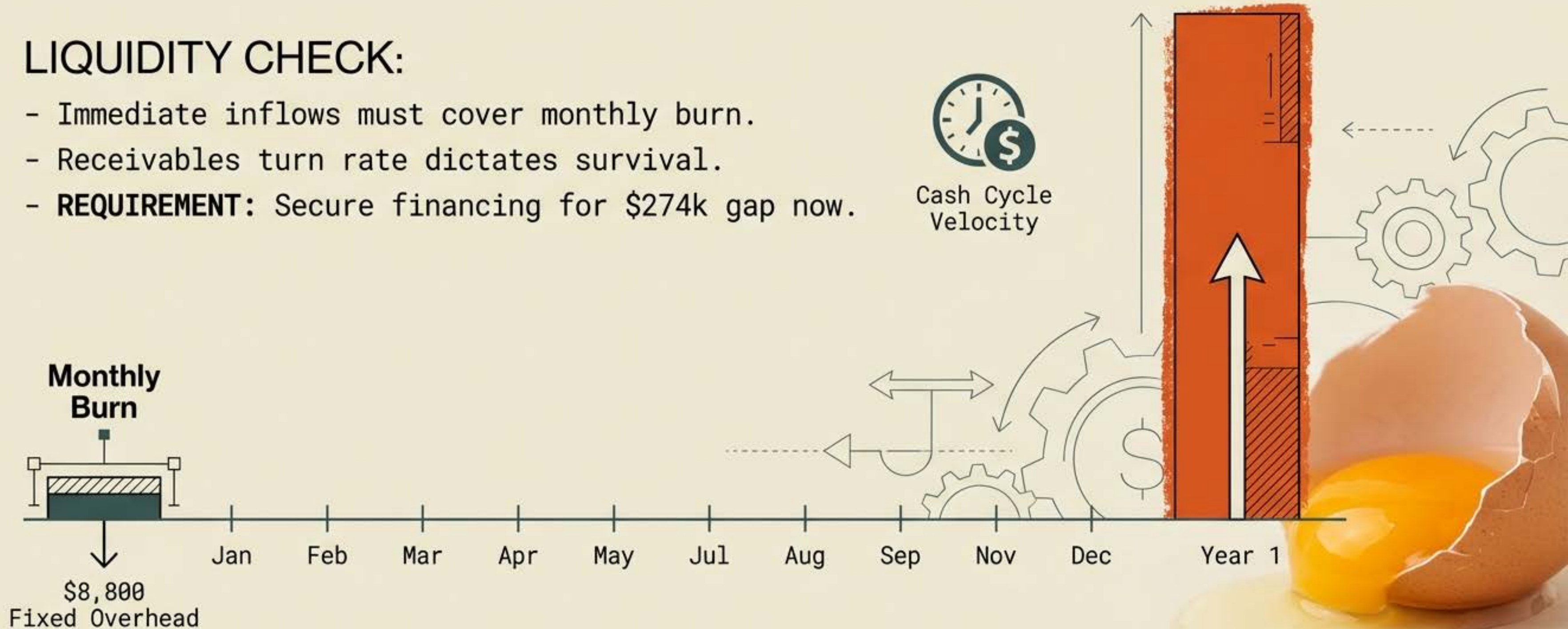
**PRIORITY:** Reducing the 80% loss rate is the fastest lever to increase effective output.

# WORKING CAPITAL: SURVIVING THE CASH CYCLE

**THE CAPEX  
CLIFF:  
\$274,000.**

## LIQUIDITY CHECK:

- Immediate inflows must cover monthly burn.
- Receivables turn rate dictates survival.
- **REQUIREMENT:** Secure financing for \$274k gap now.



# KPI 1: EGGS PER HEN (EPN)

CATEGORY: PRODUCTIVITY

## DEFINITION:

Total Annual Units /  
Average Heads

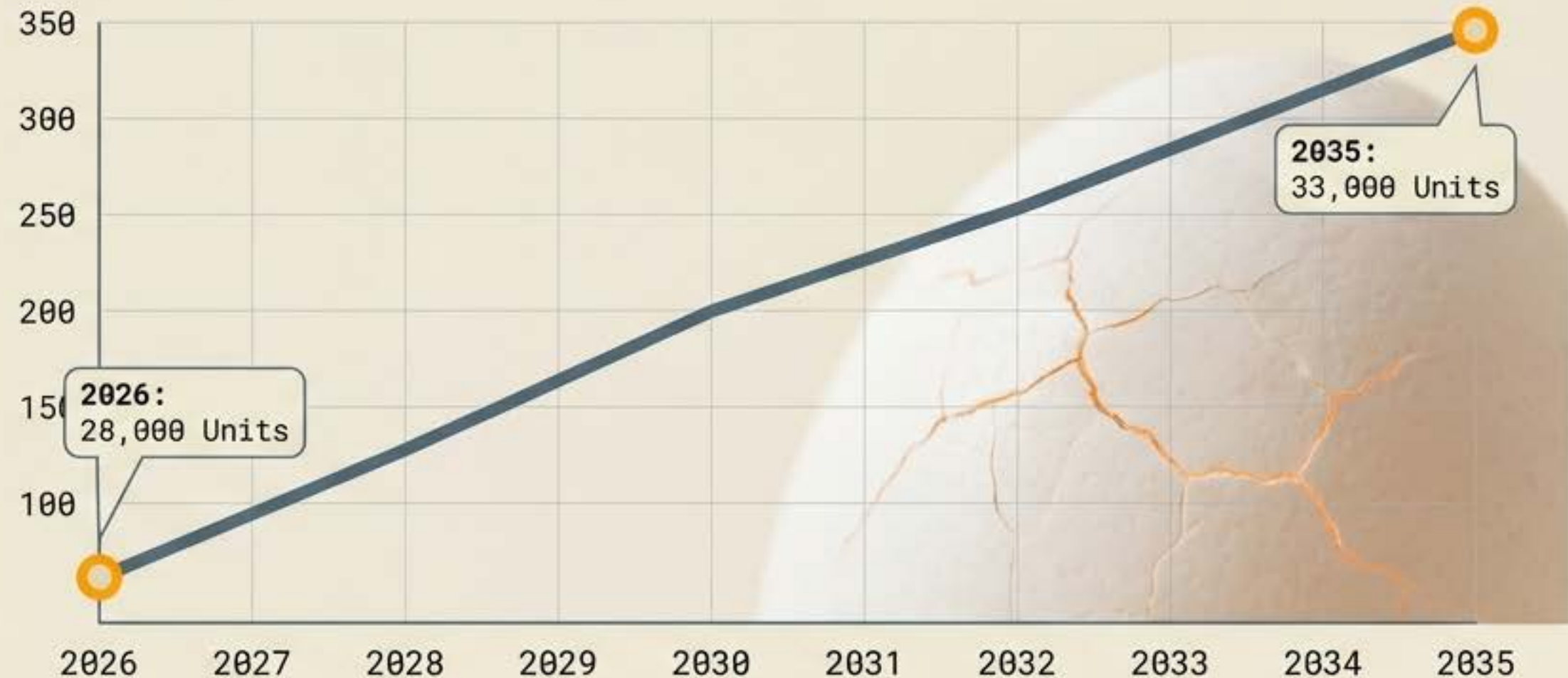
## INSIGHT:

**High EPN** dilutes fixed overhead. Watch for **age-related decline**.

## CALCULATION:

To hit **28,000 EPN** with **1,500 hens** -> You must produce **42,000,000 units**.

## EPN TRAJECTORY: 2026 - 2035



# KPI 2: FEED COST RATIO

CATEGORY: VARIABLE COST EFFICIENCY

**DEFINITION:**  
Feed Costs /  
Total Revenue

**TARGET:**  
90% by 2035.

**BENCHMARK:**  
Standard is 40-60%.  
125% signals  
extreme pressure.

**PROTOCOL:**  
Review Weekly.  
Spikes indicate  
waste or theft.



**CURRENT STATUS: CRITICAL**  
**CURRENT STATUS: CRITICAL**  
Spending \$1.25 to make \$1.00.

# KPI 3: AVERAGE SELLING PRICE (ASP)

CATEGORY: REVENUE QUALITY

$$\frac{\$47,300 \text{ (Revenue)}}{100 \text{ (Dozens)}} = \$473 / \text{DOZEN}$$

TARGET: >\$473

DANGER: <\$550

**Insight:** If ASP < \$550, reliance on **wholesale is too high.**

STRATEGY: **Prioritize \$600 Farm Gate tier.** Test elasticity on premiums.

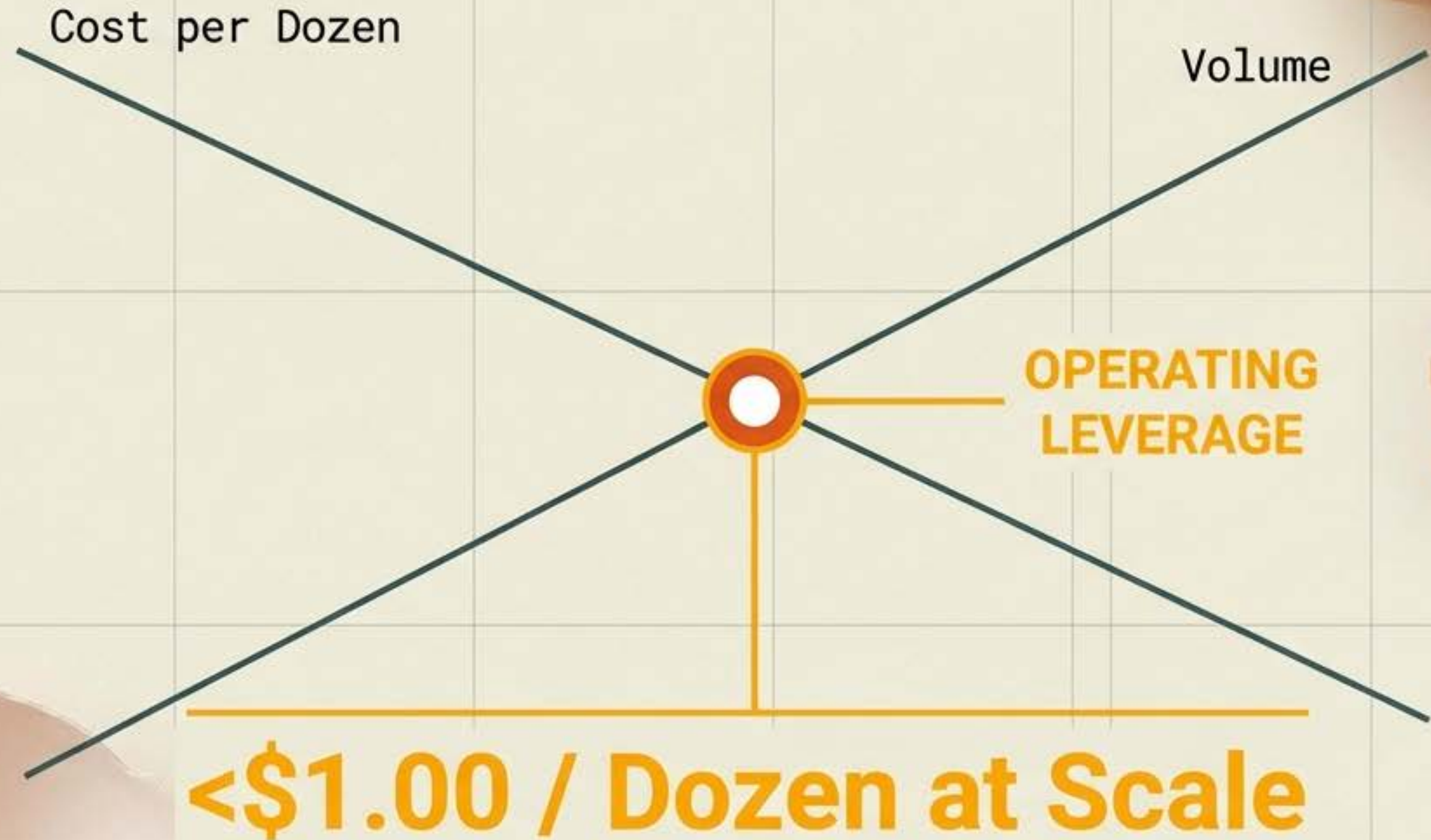
# KPI 4: LABOR COST PER DOZEN

CATEGORY: FIXED COST LEVERAGE

DEFINITION:  
Fixed Wages /  
Dozens Sold.

THE RULE:  
If this metric  
rises for 2  
consecutive months  
-> **FREEZE HIRING.**

FOCUS:  
Automate  
sorting/cleaning  
before adding  
headcount.



# KPI 5: HEAD REPLACEMENT COST RATIO

CATEGORY: ASSET SUSTAINABILITY

## DEFINITION:

Replacement Cost /  
Total Revenue

## CONTEXT:

>100% is expected  
during growth phase.

## CALCULATION:

\$150k Cost /  
\$100k Revenue = 150%



## INSIGHT:

Correlate  
replacement timing  
with EPN dips.  
Longevity lowers  
this ratio.



# KPI 7: GROSS MARGIN PERCENTAGE (GM%)

CATEGORY: CORE PROFITABILITY

## DEFINITION:

(Revenue - Variable COGS) / Revenue

## THE ANOMALY:

Model assumes Variable COGS are 175% of Revenue.

## CALCULATION:

$100\% - 175\% = 825\%$   
(Methodology Flaw)

## ACTION REQUIRED:

Verify 'Variable COGS' inclusions immediately.



# THE 'WEEKLY PULSE' CHECKLIST

MONDAY (DAILY)	FRIDAY (WEEKLY)	MONTH END
<ul style="list-style-type: none"><li><input type="checkbox"/> Calculate Blended ASP (Target &gt;\$473)</li><li><input type="checkbox"/> Track Output Loss Rate (Target &lt;80%)</li></ul>	<ul style="list-style-type: none"><li><input type="checkbox"/> Review Feed Cost Ratio (Trend &lt;125%)</li><li><input type="checkbox"/> Check Gross Margin</li></ul>	<ul style="list-style-type: none"><li><input type="checkbox"/> Assess EPN vs Head Replacement</li><li><input type="checkbox"/> Labor Cost Check (Freeze hiring if rising)</li></ul>

**IMMEDIATE PRIORITY: SECURE FINANCING FOR \$274K CAPEX (2026)**