WHY AM I HERE?
KEITH KELLY
WHAT IF...  

WE COULD CREATE 10,000 JOBS IN RURAL GEORGIA.

WE COULD KEEP $1.3 BILLION IN STATE.

WE COULD PROVIDE EDUCATIONAL PATHWAYS FOR GEORGIA'S YOUTH, BETTER LOCAL SERVICES & FOOD CHOICES.
WHY START WITH BEEF?

- Raised in all 159 counties
- Year-round production
- #6 cash crop in Georgia
- Estimated $2 billion impact on Georgia’s economy
- Consumer demand for local meats
- Beef deficit state
CURRENT REALITY

BEEF CATTLE IN GEORGIA

<table>
<thead>
<tr>
<th>TOTAL CATTLE COMSUMPTION</th>
<th>CALVES / CALVES BORN / LEAVING</th>
<th>*JUST 20% OF TOTAL COMSUMPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,160,000</td>
<td>240,000, 121,500,000</td>
<td>230,960, 115,480,000</td>
</tr>
<tr>
<td>CALVES BORN</td>
<td>1,600,000, 580,000,000</td>
<td>1,600,000, 580,000,000</td>
</tr>
<tr>
<td>CALVES LEAVING</td>
<td>240,000, 121,500,000</td>
<td>230,960, 115,480,000</td>
</tr>
<tr>
<td>TOTAL CONSUMPTION</td>
<td>1,160,000, 580,000,000</td>
<td>1,160,000, 580,000,000</td>
</tr>
</tbody>
</table>

ONLY 5% OF CATTLE REMAIN IN-STATE
A NEW MODEL FOR RURAL GEORGIA BEEF FARMERS

$1.3 billion

BEEF CATTLE IN GEORGIA

TOTAL CATTLE CONSUMPTION
1 MILLION
800,000
600,000
400,000
200,000

CALVES BORN / CALVES LEAVING

* JUST 20% OF TOTAL CONSUMPTION

TOTAL CURRENT OPPORTUNITY

<table>
<thead>
<tr>
<th>CATTLE</th>
<th>LBS</th>
<th>RETAIL</th>
</tr>
</thead>
<tbody>
<tr>
<td>240,000</td>
<td>121,500,000</td>
<td>$737,075,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>x $1.87</td>
</tr>
</tbody>
</table>

$1,374,590,250
CURRENT REALITY

BEEF SUPPLY CHAIN

GEORGIA FARMERS RETAIN JUST 5.5% PROFIT MARGIN
CURRENT REALITY

BEEF SUPPLY CHAIN

• Need more abattoirs in Georgia
  • Farmers driving several hours
  • Small scale abattoirs are costly to the farmer
  • Uneven supply for current abattoirs

• No real distribution center or marketing for individual farmers
  • Limited time & resources

• 87% of Georgia’s 23,000 producers own less than 100 head of cattle
  • Average herd size less than 50
SOLUTION

2 SUPPLY CHAIN OPTIONS

100-200 FARMERS

FARMERS HIRE/HANDLE ALL ASPECTS*

*Sales & Marketing centralized.

BEEF SOLD TO RETAIL

$$$ 

100-200 FARMERS

ABATTOIRS

SALES & MARKETING (centralized)

DISTRIBUTION

BEEF Sold TO RETAIL

$$$

Products or services rendered by all parties at discount.
EVERY GEORGIA BEEF FARMER WITHIN 100 MILES OF A FACILITY

Source: Farm Gate Value Report 2015
SOLUTION

45%

POTENTIAL FOR GEORGIA FARMERS TO RETAIN 45% GROSS PROFIT MARGIN
• Regional abattoir estimated cost: $4.4 million (USDA)
  • $22-$25 million for initial 5 facilities, excluding property.
  • Breakeven for operation this size is 8,800 cattle/year

• Construction to permanent financing for meat processing facilities

• Term-loan financing available for cow/calf operations (Southwest Georgia Farm Credit)

• Local food systems grants

• Possible Partnerships
  • Georgia Power
  • Georgia EMC
  • Department of Community Affairs Grants/Loans

• The Working Farms Fund (Conservation Fund)
  • Creates pathway to land access for farmers through lease-to-own services
  • Avenue for securing a network of farmers
JOB CREATION

CHOATE CONSTRUCTION
PRECISION FENCEWORKS
PURINA
FARM BUREAU GEORGIA

Georgia Power
Georgia Sprinklers LLC
Godfrey’s Feed
AG Georgia Farm Credit

Georgia EMC
Farmers
Corn
Refrigeration Transport
IMPACT

PROVIDING A SUSTAINABLE INCOME STREAM

EMPLOYMENT

Estimated 10,000 jobs created in rural Georgia with current beef supply.

EDUCATION

Internships

Work Force Preparation/Pathways

4-H & FFA learning opportunities

Georgia Department of Agriculture 2020 Vision for School Nutrition

FARMERS’ QUALITY OF LIFE

Improved health services, food choices, technology, etc.

FOOD SECURITY

Less consolidated food supply

CHILDHOOD NUTRITION

Opportunity to afford better food.

INDIGENT CARE EXPENDITURES
IMPACT TOTAL CURRENT OPPORTUNITY

240,000 Head of Cattle

$1.3 Billion Total opportunity

10,000 + JOBS in RURAL GEORGIA
(per initial conversations with UGA, 39 jobs per $5 million)
CONCLUSION

Opportunity to help farmers retain a larger piece of the supply chain by investing in

- Economic feasibility research
- Marketing research
- Infrastructure
- Public/Private Partnership

KEITH KELLY | keith@kellyreg.com