

Feasibility Analysis Spreadsheet for Starting a Livestock Slaughter and Processing Enterprise in Tennessee

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Background

Feasibility of a Federally Inspected Custom Livestock Processing Facility in Tennessee (CPA Info #289) was published in December 2017 by Dr. David Hughes, Hannah Wright, Dr. Andrew Griffith and Hal Pepper. It analyzes the feasibility of building and operating a federally inspected 1,800 head cattle processing facility in Tennessee. The spreadsheets used for the feasibility analysis have been made available to Center for Profitable Agriculture (CPA) staff for the purpose of sharing with clients interested in starting their own livestock slaughter and processing enterprise. A link to the CPA Info #289 publication is listed below.

[Feasibility of a Federally Inspected Custom Livestock Processing Facility in Tennessee \(CPA Info# 289\)](#)

Spreadsheet Overview and Uses

Overview

The spreadsheet provides the following tabs with a breakdown of ESTIMATED costs used in the publication.

- Equipment Costs
- Labor Costs
- Other Annual Costs
- Construction and Equipment Costs

The Revenues tab calculates annual revenues based on slaughter fees, average hot carcass weight, boning/cutting/packaging fee per pound and annual number of head processed.

The Loan Repayment tab shows an amortization schedule to pay off the construction and initial equipment expenditures. You can adjust the size of the down payment, rate of interest and the duration of the loan (up to 15 years) to see what the annual payment would be and total interest paid over the life of the loan.

All Costs tabs, the Revenues tab and Loan Repayment tab feed a 10-Year Projections tab to determine annual pre-tax profits for the business. Annual pre-tax profits are forecasted over a 10-year period.

Uses

Individuals can use the spreadsheet as a general guide to learn many (but not necessarily all) of the expenditures required to build and operate a livestock slaughter and processing enterprise. The line items listed are not all-inclusive and individual experiences will be different, but the spreadsheet provides a good starting point. The spreadsheet has estimated prices of equipment, building costs, labor, etc. However, individuals should carefully research the prices of each line item of the spreadsheet, evaluate their individual situation and update the values accordingly.

The spreadsheet can allow individuals to use their own estimated costs and revenues to see what estimated annual pre-tax profits would be for their enterprise.

CPA Specialist Services and Request for Services

Specialist Services

A CPA specialist can provide clients access to the spreadsheet to use in their consideration of starting a federally inspected custom livestock facility. The specialist can also provide consultation in using and understanding the contents of the spreadsheet. Upon additional request, a breakeven cost analysis can be provided for clients.

While working with a CPA specialist, clients can also be provided the contact information of UT MANAGE specialists for additional one-on-one assistance as needed.

Request for Services

Individuals interested in acquiring the spreadsheet for the purposes of planning to start a livestock processing facility can go to the following link to find the project application form, instructions and criteria required of projects.

[Individual Assistance | Center for Profitable Agriculture \(tennessee.edu\)](#)

For questions about the spreadsheet, services available or how to apply, contact **Jared Bruhin** by email: jmbruhin@utk.edu or phone: 931-486-2777.



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