

Profitable Farming With Alpacas & Llamas

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$$\text{Revenue} - \text{Expenses} = \text{Profits}$$

Money That Comes In


Money That Goes Out

Money You Keep



12 Components of an Alpaca Farm Business Plan

1. Mission statement	7. Differentiators
2. Business description	8. Revenue streams
3. Target market	9. Revenue goals
4. Competitors	10. Marketing activities
5. Market opportunities	11. Major expenses
6. Market threats	12. Milestones



Today we'll focus on the ones that are critical to profitability.

Revenue Goals

This doesn't have to be exact, but you should list out how much revenue and profit you'd like to obtain from your above revenue streams.

Major Expenses

- With alpaca farming, the bulk of your expenses will include the alpaca herd, shelter, fencing, food, and ongoing care for shearing, medications, and an occasional vet visit.
- If you plan on converting your fiber into yarn, you'll need to add in the cost for a fiber mill or plan on cleaning and spinning the fiber yourself.
- But what about marketing?

How Much Can You Make?

- Alpacas for sale = \$500 - \$50,000
- Breeding = \$500 - \$3,000
- Boarding = \$3
- Raw fiber = \$25 - \$100
- Products made of fiber = \$20 - \$500
- Alpaca manure = \$2 - \$10
- Alpaca rentals = \$100 - \$800
- Tours = \$5 - \$100
- Alpaca yoga = \$25 - \$250
- Photo shoots = \$100
- Stays like Harvest Host or Hipcamp = \$25 - \$200



Who Will You Sell to?

- New or existing alpaca farms?
- Show, hobby, or pet buyers?
- Adults, kids, or families?
- Men or women?
- Knitters or campers?
- Local or national?



Remember Your Sales Plan

- Alpacas for sale
- Breeding
- Boarding
- Raw fiber
- Products made of fiber
- Alpaca manure
- Alpaca rentals
- Therapy sessions
- Tours
- Alpaca yoga
- Photo shoots
- Stays like Harvest Host

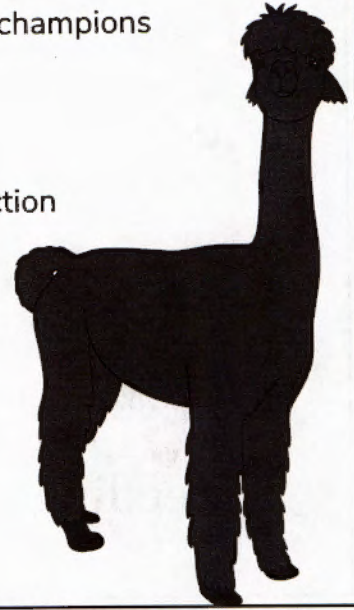


To maximize revenue...

You need to use **every** part of your alpaca.

What Type of Alpacas Do You Really Need to Support Your Goals?

- Elite genetics and show champions
- Show worthy
- Breeding females
- Herdsires
- Commercial fiber production
- Hobby fiber production
- Pet
- 4-H
- Agritourism
- Rescue



Match your alpacas to your target market, usage, and specific business goals.

Nibbler

- Undeveloped crimp and density as cria.
- Family vote to purchase. Dad lost.
- Fiber machine.
- Agritourism rock star.
- Loves mom hugs and sunshine chats.
- **Nibbler has purpose.**



Example Herd Evaluation

	Bean	Nibbler	Bubbles	Grace
Fineness	Poor	Excellent	Poor	Excellent
Crimp	Poor	Poor	Poor	Excellent
Staple Length	Average	Excellent	Average	Average
Density	Excellent	Poor	Average	Excellent
Uniformity	Average	Average	Poor	Excellent
Fleece Weight	Excellent	Excellent	Poor	Average
Conformation	Poor	Average	Average	Average
Cuteness	Average	Excellent	Excellent	Average
Personality	Excellent	Excellent	Average	Average
Color	Bay Black	Brown	Appaloosa	White
Ability to Breed	No	Yes	Yes	Yes
Age	8	2	4	4

Revenue – Expenses = Profits

Money That Comes In

Money That Goes Out

Money You Keep

Create Revenue Goals by Month and Year

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YTD
Alpaca Sales					\$9000		\$9000						\$18000
Breeding Services				\$1500	\$1500	\$1500							\$4500
Product Sales	\$500	\$750	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$1000	\$2000	\$8250
Ag Events					\$1000	\$1000	\$1000	\$1000					\$4000
Total	\$500	\$750	\$500	\$2000	\$12000	\$3000	\$10500	\$1500	\$500	\$500	\$1000	\$2000	\$34750

Create a Budget for the Entire Year

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YTD
Hay	\$500			\$500					\$1500				\$2500
Grain	\$100		\$100		\$100		\$100		\$100		\$100		\$500
Shearing					\$500								\$500
Vet Visits	\$50		\$50		\$50		\$50		\$50		\$50		\$300
Supplies	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$25	\$300
Mill						\$500		\$500					\$1000
Ads					\$200				\$200				\$400
Shows			\$2000							\$2000			\$4000
Total	\$675	\$25	\$2175	\$525	\$875	\$525	\$175	\$525	\$1875	\$2025	\$175	\$25	\$9500

Balance the Budget to Revenue Projections

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC	YTD
Revenue	\$500	\$750	\$500	\$2000	\$12000	\$3000	\$10500	\$1500	\$500	\$500	\$1000	\$2000	\$34750
Expenses	\$675	\$25	\$2175	\$525	\$875	\$525	\$175	\$525	\$1875	\$2025	\$175	\$25	\$9500
Profit or Loss	-\$125	\$725	-\$1675	\$1475	\$11125	\$2475	\$10325	\$975	-\$1375	-\$1225	\$875	\$1975	\$25250

Profitability only comes when you carefully measure, monitor, and balance your revenue and expenses.

