

A Systems Evaluation Model Within a Performance Measure Framework

Project: Managing Risk and Assessing New Market Opportunities for Small to Mid-Sized Livestock Production and Processing

ERME Goals for Economic Viability:

- a. Production Risk: Ensure profitability by reducing input costs*
- b. Market Risk: Ensure increased revenues by increasing sales and execution of optimal market pricing*
- c. Financial Risk: Ensure profitability by increasing cash flow and growing business equity*

Project Goals (results/outcomes) for Economic Viability:

- a. Production Risk: \$/% reduction in overall cost of production for livestock finishing*
- b. Market Risk: \$/% increase in profit from higher prices received for products in differentiated markets; i.e. BQA/Grassfed/USDA Certified Organic*
- c. Financial Risk: \$/% reduction in overall cost of production for livestock finishing*

The Rationale for our project – How our project activities will lead livestock producers to the desired results:

By helping producers assess current values chain constraints and opportunities, long term improvements can be made to the livestock value chain. Our project activities and projected risk management outcomes will aim to fill gaps in the livestock value chain with the use of established education programs while addressing:

1. Processing capacity
2. Communication and coordination between processors and producers
3. Processor location and transportation
4. Existing and emerging market opportunities
5. Cost of Production – Livestock finishing: Goal – decrease costs
 - a. Enterprise budgeting
6. Cost differences for differentiated sales versus commodity sales: Goals – increase revenue/sales, growth in sales volume
 - a. Cost Variances

