

# 1<sup>st</sup> 2J - Initial Setup Costs

Now, I have gone against my nature and looked at everything as being brand new. Not out scrounging around for pieces. That can be done if need be.

Tools & Equipment – Fixed Costs Only have to lay out one time, usually.

Here’s my call on needs for fixed equipment, tools, n such. All prices are shopped online and the prices are for medium quality:

EQUIPMENT	Presto 23 quart pressure cookier	\$67.00	each	1	\$67.00
EQUIPMENT	Room heater/thremostat	\$80.00	each	1	\$80.00
EQUIPMENT	Mini fridge	\$150.00	each	1	\$150.00
EQUIPMENT	Pasteurizing gear	\$100.00	each	1	\$100.00
EQUIPMENT	Vacuum sealer	\$175.00	each	1	\$175.00
EQUIPMENT	ShopVac	\$100.00	each	1	\$100.00
EQUIPMENT	Steamer Wagner 715	\$50.00	each	1	\$50.00
EQUIPMENT	Triple beam	\$150.00	each	1	\$150.00
EQUIPMENT	Microscope	\$150.00	each	0	\$0.00
EQUIPMENT	Holmes HAP242-NUC HEPA get 2	\$50.00	each	2	\$100.00
EQUIPMENT	Flow hood	\$1,000.00	each	1	\$1,000.00
EQUIPMENT	Impulse sealer	\$75.00	each	1	\$75.00
EQUIPMENT	Portable still air room	\$100.00	each	1	\$100.00
EQUIPMENT	40 Quart stock pot	\$40.00	each	1	\$40.00
EQUIPMENT	5 – 5 gallon buckets	\$30.00	each	5	\$30.00
EQUIPMENT	Mixing tubs 45 gal get 2	\$18.50	each	2	\$18.50
EQUIPMENT	Digital scale to 0.001	\$50.00	each	1	\$50.00
EQUIPMENT	Fluorescent Illuminated Magnifier	\$275.00	each		\$275.00
EQUIPMENT	yellow top Sterilite 19 gallon	\$10.00	each	24	\$240.00
EQUIPMENT	Erlenmeyer Flasks	\$40.00	set		\$40.00
EQUIPMENT	small torch	\$30.00	each		\$30.00
EQUIPMENT	Polythemal Hydrometer	\$50.00	each	2	\$100.00
STORAGE	Portable padded glass jars to right size	\$75.00	each	1	\$75.00
STORAGE	All the above items in EQUIP need to be stored for ea:	\$75.00	each	1	\$75.00
STORAGE	Small barrels for grain(s) get 3	\$33.00	each	3	\$99.00
STORAGE	Lab glass and equipment TBD	\$50.00	each set		\$50.00
STORAGE	Cleaning supplies	\$25.00	each set		\$25.00
STORAGE	Sterilizing supplies	\$75.00	each set		\$75.00

**1 time expenditures mas o menos EQUIPMENT TOTAL:**

**\$3,369.50**

The total on this comes to: \$3369.50. This is middle of the road equipment but more than capable. Corners could be cut if we self finance.

This does not include any of the costs for the supplies and materials that are consumable. That is up next.

## The Inventory

The inventory is very important because of location. Having everything needed and at least 3 turns of everything. That will cover a month and a half of crops. The inventory will rotate by ordering new stock, and always using the oldest stock for the new cycles.

Most of these things are commodities and prices fluctuate. There are better times of the year to buy certain items. What follows is a general idea of what is up. It will be fine tuned as we go along.

Here are the rough totals for supplies and materials (consumables) for doing 3 complete cycles. This provides a working inventory so production does not stop for want of a ten penny nail, so to speak:

SUPPLIES	Injection ports	\$20.00	each	0	\$0.00
SUPPLIES	Agar	\$10.00	each	0	\$0.00
SUPPLIES	Liquid disinfectant	\$80.00	gallon	1	\$80.00
SUPPLIES	Backup gaskets for Pressure cooker	\$10.00	each	2	\$20.00
SUPPLIES	Wide mouth quart jars for Masters	\$25.00	cases	4	\$100.00
SUPPLIES	50 # rye grain - 3 bags	\$81.33	each landed	0	\$0.00
SUPPLIES	WBS	\$0.46	33 #	132	\$60.46
SUPPLIES	Spawn bags 2.25mil polypropylene, measuring 22.5 x	\$75.00	lot	100	\$75.00
SUPPLIES	MEA premixed	\$20.00	each	2	\$40.00
SUPPLIES	Great Value 18" Wide Roll 75 sq ft Extra Wide Heavy	\$5.00	each	3	\$15.00
SUPPLIES	Spores	\$25.00	each	3	\$75.00
SUPPLIES	Vacuum sealer & bags assorted	\$200.00	each	1	\$200.00
SUPPLIES	test tubes & lids to make slants	\$10.00	dozen	2	\$20.00
SUPPLIES	HighHeat RTV	\$7.50	each	3	\$22.50
<del>SUPPLIES</del>	<del>Synthetic filter disks</del>	\$0.00		0	\$0.00
SUPPLIES	Plastic autoclaveable lids	\$20.00	set	2	\$20.00
SUPPLIES	Sponges (assorted)	\$10.00	set	2	\$20.00
SUPPLIES	ISA 90%	\$60.00	gallon	1	\$120.00
SUPPLIES	ISA 70%	\$40.00	gallon	1	\$80.00
SUPPLIES	h2o2	\$20.00	gallon	1	\$40.00
SUPPLIES	Apple Cider Vinegar	\$6.00	gallon	1	\$12.00
SUPPLIES	Mild detergent	\$10.00		2	\$20.00
SUPPLIES	hand soap	\$10.00		2	\$20.00
SUPPLIES	Rags	\$25.00	set	2	\$50.00
SUPPLIES	Latex gloves	\$15.00	set	2	\$30.00
SUPPLIES	HD Plastic on rolls at least 6 mil	\$25.00	rolls	2	\$50.00
SUPPLIES	Paper towels	\$63.00	case	2	\$126.00
SUPPLIES	Spray Bottles	\$24.97	package	2	\$49.94
SUPPLIES	Polyfill	\$10.00	bag	2	\$20.00
SUPPLIES	Jar lids and rings	\$20.00	pack	2	\$40.00
SUPPLIES	Syringes (assorted)	\$30.00	set	1	\$60.00
SUPPLIES	PDA	\$20.00	each	2	\$40.00
SUPPLIES	Cotton Balls	\$5.00	each	2	\$10.00
SUPPLIES	Bleach	\$5.00	each	2	\$10.00
SUPPLIES	Razor blades	\$10.00	box	2	\$20.00
SUPPLIES	Disposable Scalpes	\$10.00	box	2	\$20.00
SUPPLIES	Inoculation loops	\$10.00	box	2	\$20.00
SUPPLIES	pH strips	\$10.00	box	2	\$20.00
SUPPLIES	Masks	\$25.00	box	2	\$50.00
SUPPLIES	Assorted baggies	\$10.00	set	1	\$20.00
SUPPLIES	Xacto assorted	\$30.00	set	1	\$60.00
SUPPLIES	Gentamycin sulfate	\$15.00	each	1	\$15.00
SUPPLIES	Micropore Tape	\$25.00	each	1	\$25.00
SUPPLIES	Dextrose	\$15.00	each	1	\$15.00

\$2,390.62

## Scenario One

\$5,750.22 (3,359.60 + 2,390.62) (for everything

(more or less, sure I missed some stuff, but this is damned close)

This provides all the equipment and supplies to get started with a decent inventory. A functioning inventory is important. Due to location everything has to be shipped in, or it's a haul in a vehicle. An early goal is to beef up the inventory every chance possible.

It will take the better part of 3 months to get the first dry goods for market. No income but during that time there will be 6 crops going in and they cost the farm about \$325 apiece. That is another \$2,000 in running costs.

Will need the investors to fund those three months too.

Total needed to deck out the farm and carry three months till first dry goods ready for sale.

**\$7,750.22 So call it \$8,000.**

- The above gets a setup that can successfully run 65 els of dry goods in 8 months. Reliably and that comes out on average to 8.125# a month. Looking at 10 grand a month gross sales at the GGP of \$2.68 a g
- Now, we can skrimp and try to save a few bucks. What we save in dough we give up in time. Rather just have a clean, new start if we can get the funds in cash and all at one time. Going to need to establish a semi-transparent accounting for where the cash is going.
- Well under 10 large for a total investment is amazing for any business, especially one with this kind of return on investment.
- Already have a good deal of experience with bulk grows and producing quantities. All by the seat of the pants.

Need to put together an assortment of investors who can total the 8 large needed. Personal preference would be 5 investors or less.

5 investors parking \$1,500 cash. That is a \$7,500 grubstake. That'll work.

*Not everyone makes a good investor.*

**End of 1<sup>st</sup> 2J**