



Virginia Poultry Growers  
Cooperative, Inc.

Presentation to  
Association of Cooperative Educators  
By  
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Where did we come from

Where are we going

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## Background

- Pilgrims Pride's business decision
- The announcement on April 26<sup>th</sup>
- 169 farms effected
  - 136 grow out farms
  - 33 breeder and breeder replacement farms
  - Growers had over 50 million invested

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## Background cont.

- 1300 employees
  - 950 in plant - 2 shifts
  - 90 in Breeder Division
  - 120 in Hatchery Division
  - 140 in Live production, Feed mill, administration and clerical
  - VA Tech estimated a 225 million dollar impact to the region

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## The Idea

- The phone calls
- Steering committee
- May 21<sup>st</sup> meeting held
  - 151 growers were represented at the meeting
  - 144 growers voted to look at possibility
  - Square footage of housing would be used to raise capital for study
  - Cooperative Charter from Virginia was granted on May 26<sup>th</sup>

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## Where to start ?

- May 31<sup>st</sup> letter to growers to raise capital
- Four Teams needed
  - Acquisition, Marketing, Finance, Operation
- Southern States Cooperative Foundation
  - Feasibility study
  - Business plan
  - Marketing plan
  - Organization of Cooperative

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## June work

- Started to buy eggs to place in hatchery
- Met with Pilgrim's Pride & toured plant
- By June 15<sup>th</sup>, 90 growers, 1 million dollars
- Financial analysts and plans started
- Stated our case with legislative leaders
- Called on banks
- 2<sup>nd</sup> grower meeting held on June 26<sup>th</sup> to give an update

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## Busy July

- Hatchery was sold off, no breeder division
- July 12<sup>th</sup> restated articles of incorporation to sale capital stock
- July 14<sup>th</sup> Letter of intent signed for purchase and a third grower meeting with a closing date of August 31<sup>st</sup>
- July 16<sup>th</sup> 521c application filed,
- July 22<sup>nd</sup> 521c application granted

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## August

- Worked on grant money from USDA
- Secured a 2.5 million investment
- Started putting Management team together
- Continued to work on
  - Bank financing
  - Grower contracts
  - Sell of preferred stock
- August 26<sup>th</sup> grower meeting

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## September

- Final negotiations with Pilgrim's
- Closed on Sept. 15<sup>th</sup>
- Started looking at infrastructure
  - Accounting
  - Plant scaling
- Feed ingredients procurement
- Hired management team and Office personal

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## October

- Most of infrastructure purchases done
- Sales team / Marketing plan in place
- Insurance Property/employee
- Started to make our own feed
- Started putting over 100 vehicles on the road

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## November

- Finished up computer work
- Interviewed and hired over 400 employees
- Started processing on the 29<sup>th</sup> with 100,000 birds a week

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## Where are we Now

- Currently processing 120 to 130,000 birds a week
- Making 4800 to 5400 tons of feed a week
- Have just over 550 employees
- Look to have over 120 million in sales our first full year

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