BUSINESS PLAN

Cascade Nut Foods LLC

Prepared for bank_loan.

Version 2 • Generated 10/4/2026

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1. Executive Summary

Cascade Nut Foods LLC is a pre-launch, regionally-focused peanut butter manufacturer planning to operate from Salem, Oregon. The business will produce 16-ounce jars in creamy and crunchy SKUs for independent grocers, specialty food stores, foodservice customers and direct-to-consumer sales across Oregon with later expansion into Washington.

- Decision for a bank loan: recommended as CONDITIONAL GO subject to material validations (supplier quotations, regulatory approvals, retailer LOIs and a 12–24 month monthly pro forma).
- Planned funding allocation (implementation plan): equipment USD 65,000; facility USD 25,000; inventory USD 20,000; packaging/marketing USD 15,000; working capital USD 15,000; QC/regulatory/professional USD 10,000 (total USD 150,000).
- Technical feasibility at small-batch scale is supported by available semi-automatic roasting, grinding and filling equipment and established small-line suppliers (equipment cost ranges are research-referenced).
- Regulatory obligations include FDA food facility registration and FSMA preventive controls considerations and Oregon processing/licenses — bank should require documentary evidence before disbursement.

Key metrics

Metric	Value	Note
Requested loan	USD 150,000	Planned funding request to purchase equipment, prepare facility, procure initial inventory and provide working capital.
Target monthly revenue (month 12)	USD 45,000	Target, not current revenue; requires retailer validation and production confirmation.
Planned monthly operating costs	USD 32,000	Initial planning estimate; requires detailed cost build-up.
Initial addressable market (Oregon)	USD 25,000,000 pa	Planning estimate for target channels in Oregon; requires independent market validation.

2. Company Description

2.1. Business identity & stage

Cascade Nut Foods LLC is a planned LLC based in Salem, Oregon. Stage: pre-launch. Current team: founder + one operations role (team size = 2).

Mission: produce consistently made, high-quality peanut butter in convenient retail formats and serve regional retail and foodservice customers across the Pacific Northwest.

Vision (5 years): established regional peanut butter brand with a dedicated production facility, retail and wholesale distribution across Oregon and Washington, expanded SKU range and demonstrated repeat commercial demand.

3. Problem, Solution and Product/Service

Problem: independent retailers and local foodservice buyers seek dependable regional suppliers and consumers seek alternatives to mass-market peanut butter with simple ingredients and consistent taste.

Solution: small-batch roasted peanut butter (creamy and crunchy) produced under documented food-safety controls, packaged in ~16-oz retail jars and sold through independent grocery, specialty retail, farmers' markets, foodservice and direct-to-consumer channels.

Value proposition: responsive regional distribution, local brand story, ability to meet flexible order sizes for local retailers/foodservice, and rapid product/packaging iterations to match local customer needs.

4. Industry and Market Analysis

Category context: peanut butter remains a stable, year-round grocery category in the U.S.; USDA ERS notes increasing peanut butter consumption compared with the prior 10-year average, supporting a stable underlying demand base for manufactured peanut products.

Addressable market: the business estimates an initial Oregon-focused addressable market of USD 25,000,000 per year for the targeted channels. This figure is a planning estimate and must be validated with retail sales data (Nielsen/IRI, state retail sales, or store-level category scans) before being used for underwriting or investor materials.

Demand drivers: health and natural/clean-label trends in some segments, stable household repeat purchase patterns for spreads, and local-store merchandising preferences. Seasonal variation is modest but may affect promotional planning.

> **INFORMATION TO CONFIRM**

> **Market validation required**
>
> Bank underwriting should require an independent retail-channel scan or retail sales data and at least two retailer LOIs or trial purchase orders to validate the USD 25M addressable market assumption and the projected sales ramp.

5. Competitive Analysis

Implication: differentiation is plausible through reliable local supply, packaging and account service, but must be proven via repeat orders, commercial terms that allow acceptable margins, and consistent food-safety performance.

Competitor comparison (summary)

Competitor type	Typical price positioning	Distribution strength	Differentiation vs. Cascade Nut Foods
National brands (Jif, Skippy)	Low–mid	Very strong (national chains)	Scale and price; Cascade must compete via regional identity and service
Natural/specialty brands (Justin's, Adams)	Mid–high	Moderate (specialty and some natural channels)	Ingredient/positioning focus; Cascade must match quality claims
Retailer private label	Low	Strong in large chains	Price-focused; local product can complement in independents
Regional / craft producers	Mid	Limited / local	Direct competitor in specialty and farmers' markets; differentiation via service and consistent supply

6. Marketing and Sales Strategy

Pricing: mixed pricing model — wholesale and foodservice volume pricing by account, and DTC/retail pricing aligned with local premium or natural-brand positioning. Final MSRP and margin targets require a SKU-level cost build-up (ingredient, packaging, labor, overhead).

Target customers & channels

- Independent grocery and specialty food stores across Oregon (initial focus).
- Foodservice: cafés, bakeries, small wholesale accounts and regional distributors.
- Direct-to-consumer via company website and farmers' markets for brand-building and margin capture.
- Selective distributor partnerships as production capacity and SKU range expand.

Acquisition & promotion

- Early focus on in-store sampling, local account demos and retailer trial packs to secure initial purchase orders.
- Targeted local digital ads, social presence and community events to build brand recognition.
- Trade outreach to regional foodservice buyers and distributor introductions.

7. Business Model and Revenue

Revenue streams: packaged retail jars (primary), wholesale / foodservice sales (secondary), direct-to-consumer (supplementary). Scaling path: raise production volumes, introduce additional SKUs/formats (e.g., larger foodservice tubs) and expand distribution into Washington once Oregon accounts are established.

Unit economics: requires SKU-level COGS including peanut cost per jar, packaging, fill labor and variable utilities. The target (USD 45,000 monthly revenue; USD 32,000 monthly operating cost) yields a simplified surplus of USD 13,000/month, but this is a figure that must be validated with costed assumptions and a full pro forma.

> **INFORMATION TO CONFIRM**
>
> **Financial model requirement**
>
> Before loan approval the bank must receive a 12–24 month monthly pro forma (sales by channel and SKU, detailed COGS, fixed costs, working-capital schedule, CAPEX timing and debt schedule) and supporting supplier and lease quotations.

8. Operations

Facility design: food-safe production space with allergen control, CIP-capable equipment surfaces, segregated raw/finished flows and refrigerated / dry storage sized to planned batch volumes.

Staffing: launch with founder + one operations role; add 2–4 production/packaging staff once commercial volumes begin; engage a food-safety lead or consultant for HACCP/Preventive Controls documentation and implementation.

Indicative minimal-capacity equipment budget (illustrative ranges)

Item	Planning estimate (USD range)	Basis / note
Roaster + cooler	8,000 – 30,000	Small-industrial to semi-automatic units; supplier ranges used for budgeting.
Grinding / colloid mill	5,000 – 40,000	Capacity and heating/cooling capabilities affect price.
Filling & capping machine (semi-auto)	7,000 – 40,000	Depends on speed and sanitary design.
Ancillary (mixers, conveyors, scales, packaging)	5,000 – 25,000	Includes CIP-capable tanks, conveyors and tooling.

Ranges are indicative; require three itemised supplier quotations (shipping, installation, commissioning).

Planned production process

- 1. Receive & inspect raw peanuts — Supplier certificates, incoming QC and traceability documentation.
- 2. Roast → cool → grind — Batch roasting followed by grinding/colloid milling to target texture.
- 3. Formulation / blending → QC — Optional salt/sweetener/oil additions and finished-product checks.
- 4. Filling / capping / labeling → case packing — Hygienic filling, tamper-evident capping, allergen labeling and case storage.

9. Management and Organisation

Current management: founder leads strategy, commercial development, supplier relationships and finance; one operations role supports production setup. Capability gaps include documented HACCP/Preventive Controls expertise, production supervision experience and broader retail account sales capability.

Initial organisational roles (plan)

Role	Name	Reports to	Note

Founder / CEO		—	Strategy, finance, supplier & commercial leads.
Operations Lead		Founder / CEO	Production setup, day-to-day production supervision.
Food-safety consultant / HACCP lead		Founder / CEO	Contracted initially; critical for regulatory compliance.

INFORMATION TO CONFIRM

Management evidence for lenders

Before disbursement: evidence of named food-safety lead (hire or contracted consultant) and at least two retailer LOIs or trial purchase orders to demonstrate early commercial traction.

10. Technology and Digital

Operational systems: basic digital systems expected — accounting package, simple order-management for DTC, spreadsheet-based production tracking, and traceability records to satisfy FDA/ODA recordkeeping and FSMA traceability expectations.

Ecommerce: direct-to-consumer web sales to be implemented at launch; shipping partners to be selected for regional fulfilment.

11. Financial Plan

Requested funding: USD 150,000. proposed allocation (planning schedule): equipment USD 65,000; facility prep USD 25,000; initial inventory USD 20,000; packaging/branding/marketing USD 15,000; working capital USD 15,000; QC/regulatory/insurance/professional USD 10,000. All allocations are planning assumptions and must be validated by supplier quotations and costed plans.

Simplified payback: using the target (USD 45,000 revenue − USD 32,000 operating costs = USD 13,000 monthly surplus) yields an approximate recovery period of 11.5 months for the USD 150,000 funding. This is a illustration and excludes debt service, taxes, seasonality and working-capital swings; it must not be used for underwriting without a full monthly cashflow model.

Planned use of funds (founder allocation)

Category	Amount (USD)	Share

Production equipment	65,000	43.3%
Facility preparation & utilities	25,000	16.7%
Initial raw materials & packaging inventory	20,000	13.3%
Packaging, branding & launch marketing	15,000	10.0%
Working capital	15,000	10.0%
Quality control, regulatory, insurance & professional costs	10,000	6.7%
Total	150,000	100.0%

INFORMATION TO CONFIRM

Underwriting deliverables required

Before loan approval the borrower must provide a monthly 12–24 month pro forma (sales by channel & SKU, COGS detail, fixed costs, working-capital schedule, CAPEX drawdown timing and proposed debt schedule) plus three supplier quotations, lease terms and at least two retailer LOIs or trial orders.

12. Funding Request and Use of Funds

Total funding requested: USD 150,000 (loan). The proposed timing: initial tranche to cover equipment purchase and critical facility works; subsequent tranches released on evidence of regulatory approvals and commercial milestones (recommended staged disbursement).

Funding allocation (summary)

Category	Amount (USD)	Share
Production equipment	65,000	43.3%
Facility preparation & utilities	25,000	16.7%
Initial inventory (raw materials & packaging)	20,000	13.3%

Packaging, branding & launch marketing	15,000	10.0%
Working capital	15,000	10.0%
QC, regulatory, insurance & professional costs	10,000	6.7%
Total	150,000	100.0%

13. Risk Analysis

Principal risks and mitigations (summary)

Risk	Likelihood (qualitative)	Impact (qualitative)	Mitigation	Residual consideration
Failure to obtain regulatory approvals / licensing	Medium	High	Engage food-safety consultant; prepare HACCP/Preventive Controls; apply early for ODA licenses and FDA registration where applicable.	Loan conditional on evidence of permits.
Equipment cost overrun / delivery delays	Medium	Medium	Obtain 3 supplier quotations; include contingency; staged procurement.	Require supplier quotations before disbursement.
Inadequate retailer demand / slow account acquisition	Medium	High	Secure LOIs/trial orders; focused early sales effort and sampling.	Validate with retail commitments before full funding.
Allergen control failure / recall	Low–Medium	Very High	Robust allergen control, documented cleaning, staff training, insurance.	Insurance and documented quality systems

				required.
Raw-material price volatility	Medium	Medium	Negotiate supplier terms, safety stock, margin monitoring and price clauses where appropriate.	Monitor input-cost impact on margins.

14. Implementation Plan (12 months)

12-month roadmap (implementation plan)

Period	Milestone	Detail
Months 1–2	Finalize facility, equipment selection & regulatory start	Select facility, obtain equipment quotations, complete product formulation, begin HACCP/Preventive Controls development and supplier agreements.
Months 3–4	Install equipment & production trials	Commission equipment, perform production trials, finalize packaging and implement QC procedures.
Months 5–6	Begin commercial production & initial sales	Start retail and DTC sales, secure initial independent grocery accounts and fulfil trial orders.
Months 7–12	Scale production & expand distribution	Increase volumes, expand Oregon distribution, develop foodservice/wholesale accounts and evaluate Washington entry aiming for target monthly revenue by month 12.

RECOMMENDATION

Recommended loan disbursement approach

Staged disbursements: initial tranche for equipment/facility after validated quotations; subsequent tranches released on evidence of regulatory approvals and at least two retailer LOIs or trial orders. Require reporting covenants (monthly cashflow, quarterly P&L) until stable operations.

15. ESG / Economic & Social Impact

Employment: expected to create local production jobs (scaling from 2 to ~4–6 staff as volumes increase). Environmental: energy use for roasting and packaging waste are material; include waste-management and recyclable packaging choices to reduce environmental footprint and align with retailer preferences.

16. Conclusion

Recommendation: CONDITIONAL GO for bank lending. The business is technically feasible at small-batch scale and the founder's target economics are plausible on the supplied inputs, but approval should be conditional on completion of critical validations: three itemised equipment quotations, documented regulatory approvals or active applications (FDA registration if applicable and Oregon processor permitting), a fully populated 12–24 month monthly pro forma cashflow model, and at least two retailer LOIs or trial purchase orders.

- Require supplier quotations and lease or facility cost evidence before the equipment tranche is released.
- Require documented HACCP/Preventive Controls plan and ODA licensing (and FDA registration if applicable) before later tranches.
- Require commercial validation (LOIs/trial orders) tied to tranche releases.
- Require monthly cashflow reporting and quarterly financial statements until stable operations.

17. Appendices — Required items before loan disbursement

- Three itemised supplier quotations for key equipment (roaster, grinder, filler) including shipping, installation and commissioning.
- Evidence of application or approval for Oregon food-processor license and confirmation of whether FDA facility registration applies (and proof of registration if applicable).
- At least two retailer/distributor LOIs or signed trial-purchase agreements.
- Detailed 12–24 month monthly pro forma cashflow and debt-service schedule.
- Named food-safety lead (hire or contracted consultant) and a draft Preventive Controls / HACCP plan.

18. Key Assumptions

Key planning figures

Item	Figure	Basis
Business stage	Pre-launch; team size = 2	current state

Funding requested	USD 150,000 (loan)	Funding request
Planned equipment allocation	USD 65,000	Founder allocation; requires three supplier quotations
Planned monthly operating costs	USD 32,000 per month	Planning estimate; requires validation by costed production plan
Target monthly revenue (month 12)	USD 45,000	Target; requires sales validation
Initial addressable market (Oregon)	USD 25,000,000 per year	Planning estimate for target channels in Oregon; requires independent market validation
Indicative equipment cost ranges	Roaster USD 8k–30k; Grinder USD 5k–40k; Filler USD 7k–40k; Ancillary USD 5k–25k	Supplier-published cost ranges
Monthly operating surplus at target	USD 13,000 per month (USD 45,000 − USD 32,000)	Simple difference of target revenue and planned operating costs
Regulatory requirement — FDA registration & FSMA	Facility registration with FDA may apply; Preventive Controls may be required	FDA guidance on facility registration and FSMA; ODA state licensing
Prior to lending	Three supplier quotations; state/federal permits evidence; retailer LOIs; 12–24 month pro forma	Material underwriting items identified in the plan. Requires further validation.

19. Key Assumptions

Key planning figures

Item	Figure	Basis
Business stage	Pre-launch; team size = 2	current state

Funding requested	USD 150,000 (loan)	Funding request
Planned equipment allocation	USD 65,000	Founder allocation; requires three supplier quotations
Planned monthly operating costs	USD 32,000 per month	Planning estimate; requires validation by costed production plan
Target monthly revenue (month 12)	USD 45,000	Target; requires sales validation
Initial addressable market (Oregon)	USD 25,000,000 per year	Planning estimate for target channels in Oregon; requires independent market validation
Indicative equipment cost ranges	Roaster USD 8k–30k; Grinder USD 5k–40k; Filler USD 7k–40k; Ancillary USD 5k–25k	Supplier-published cost ranges
Monthly operating surplus at target	USD 13,000 per month (USD 45,000 − USD 32,000)	Simple difference of target revenue and planned operating costs
Regulatory requirement — FDA registration & FSMA	Facility registration with FDA may apply; Preventive Controls may be required	FDA guidance on facility registration and FSMA; ODA state licensing
Prior to lending	Three supplier quotations; state/federal permits evidence; retailer LOIs; 12–24 month pro forma	Material underwriting items identified in the plan Requires further validation.