

Attention Investors

Are you looking for an exciting new investment opportunity? Look no further. Your answer is here! We have established a new company that is on the verge of explosive growth and will be the only company in the USA to offer unique new products in an already established market. If you choose to invest, your investment could pay you in excess of 25%.

Introduction

Blue Hills Dairy, Limited Liability Company, is a new company that will feature a state of the art sheep dairy farm, and a specialized dairy plant to produce unique products for consumers of gourmet foods, health foods and traditional ethnic foods.

Past to Future

The Wisconsin Sheep Dairy Cooperative was formed in 1997 by a group of dairy sheep producers to pool and market sheep milk. Strong influence was provided by the University of Wisconsin-Madison's dairy sheep research project and the Center for Dairy Research. CDR developed frozen milk protocols and cheese recipes for use with sheep milk.

Initially WSDC sold and shipped frozen milk to Old Chatham Sheep Herding Co. in New York State and established markets for fluid milk with cheese companies like Carr Valley Cheese here in Wisconsin. Eventually production of sheep milk grew in New York and frozen milk demand from Old Chatham dried up. This led to an overflow of milk production which offered WSDC the opportunity to develop a line of branded cheese products. These products were made under contract with a few Wisconsin cheese makers. WSDC cheeses have become very popular with consumers, but due to small production, marketing has been limited to only a few select distributors and shops across the country.

Beginning in 2013, WSDC moved operations into the vacant school building in Weyerhaeuser, WI. In this facility WSDC began its own cheese cutting, packaging and distribution operation.

With the closing of the UW-Madison's dairy sheep research project in 2015, some of the WSDC producers signed contracts directly with Carr Valley Cheese and were no longer members of WSDC. Without the steady market for fluid milk with Carr Valley, the remaining producers who were mostly Amish quit milking sheep leaving the ownership of WSDC to Larry and Emily Meisegeier.

The Awassi influence

In 2012, Larry Meisegeier formed a business partnership with Paolo Losecco and they imported the first Awassi sheep genetics into North America from Australia. The Awassi sheep originates in the Middle East where it has been used for centuries for meat, milk, fiber and hides. In Israel the Awassi was selectively bred for increased milk production and the Israelis developed a composite breed called the Assaf from Awassi and the East Friesian breed. The Assaf was further developed in Spain and has become what is probably the highest and most efficient milk producing breed worldwide. We now have access to these Spanish Assaf genetics.

The Arabic Market

The Awassi is highly recognized by the Arabic community and this has opened new opportunities for traditional Middle Eastern dairy products as well as meat for traditional Middle Eastern dishes.

There are an estimated eight million Arabic people living in the USA. With an average of 5 persons per household there would be an estimated 1.6 million households. These households regularly consume an average of 4 pounds of dairy products per week. Capturing only 1% of this would result in sales of 3.3 million pounds of products annually. At an average wholesale price of \$4.00 per pound would result in a gross return in excess of 13.3 million dollars.

Blue Hills Dairy, LLC

With the opportunities in the Arabic dairy product market and the opportunities to expand markets of WSDC products, a new company, Blue Hills Dairy, LLC was formed. All of WSDC's assets have been transferred to Blue Hills Dairy, LLC and WSDC has been dissolved. The brand name Wisconsin Sheep Dairy Cooperative and all its product labels under this brand will remain the same. Plans have been made to remodel part of the Weyerhaeuser School building into a small dairy plant to produce these products. International Equipment Exchange, a dairy equipment contractor has supplied plans and will provide the dairy plant equipment. A local contractor will provide the remodel. In addition, Blue Hills Dairy, LLC will acquire a plot of land close to the dairy plant location to build a sheep dairy farm facility and populate it with 1000 dairy type ewes. This facility will supply the majority of milk to be processed in the dairy plant facility.

Investment opportunities

Each percent of Blue Hills Dairy, LLC will represent 3 shares in the company. Three hundred shares will equal 100%. Blue Hills Dairy, LLC will sell 135 shares or 45% of the company. Each share will be sold for \$15,000.00. This will generate \$2,025,500.00 to build the dairy plant facility, the dairy farm facility, populate the farm with dairy sheep and provide working capital. Investments will be put into a special account until all shares have been sold and the project can proceed. We hope to have all shares sold in 2021. In the event that all shares do not sell by June 15, 2022, all investments received to that date will be refunded.

Payouts of investment will be based on dividing each year's profit margin equally into 300 shares.

The following scenario is projected for year two after the project gets started. Exact numbers could change according to the market for each specific product. As to the scenario as written here, with a profit margin of \$1,170,374.00, each share would earn \$3,901.24. This would be the same as earning 26% interest on a \$15,000.00 investment. The following is a breakdown of the projected income and expenditures of the sheep dairy farm and dairy plant.

Sheep dairy farm

1000 ewes producing a 1.5% lamb drop will result in 1500 lambs. We can expect a 5% mortality leaving 1425 lambs.

1425 lambs at a 50/50 ratio of male to female will be 712 rams & 712 ewes.

712 ram lambs sold at 50 pound average @ \$2.50 per pound, \$89,000.00 total

712 ewe lambs

50 retained as replacements

300 sold as breeding stock @ \$300.00 per head, \$90,000.00 total

362 sold at 50 pound average @ \$2.50 per pound, \$45,250.00 total

Total income from lambs **\$224,250.00**

Lamb expenses

Milk replacer, 25,650 pounds @ \$1.80, \$46,170.00

Feed for slaughter lambs, 15# per lamb, 16,110# @ \$0.20 per pound, \$3,222.00

Feed for breeding stock 300# grain, 90,000# @ \$0.20 per pound, \$18,000.00

Forage 400 pounds per head, 120,000# @ \$0.125 per pound, \$15,000.00

Feed for replacements to breeding time 300# grain, 15,000# @ \$0.20 per pound, \$3,000.00

Forage 400 pounds per head, 20,000# @ \$0.125 per pound, \$2,500

Total gross income from lambs **\$224,250.00**

Total lamb expenses **\$87,892.00**

\$136,358.00

1000 ewes producing 1000 pounds of milk per lactation, 1,000,000 pounds per year of milk sold @ \$.75 per pound, \$750,000.00 total

50 cull ewes sold @ \$80.00 per head, \$4,000.00 total

Ewe expenses

Six pounds Total Mixed Ration per ewe per day, 2190 total for year, 2,190,000 per 1000 ewes @ \$0.125 per pound, \$273,750.00

Corn, 2 pounds per head per day, 220 days, 440 for year, 440,000 per 1000 ewes @ \$0.065 per pound, \$28,600

Total milk income **\$750,000.00**

Total cull ewe income **\$4,000.00**

Total feed expense **\$302,350.00**

\$451,650.00

Other expenses for entire operation

Bedding, 150 large square bales straw @ \$50.00 per bale, \$7,500.00

Animal health expenses \$2,000.00

Supplies \$2,000.00

Maintenance \$5,000.00

Utilities, \$12,000.00

Insurance, \$2,400.00 per year

Taxes, \$1,500.00
Employees, four full time, 40 hours per week @ \$15.00 per hour. 8,320 total hours, \$124,800.00
Employee payroll taxes, etc. \$12,000.00

Total gross income for operation	\$978,250.00
Total cost for operation	<u>\$559,542.00</u>
Total net	\$418,708.00

Dairy plant

Five hundred thousand pounds of sheep milk at a 20% yield will be processed into 100,000 pounds of artisan/specialty cheese. 166,666 pounds of milk will produce 32,000 pounds of Arabic style cheese. 166,666 pounds of milk will produce 80,000 pounds of Labneh. 166,666 of milk will produce 166,666 pounds yogurt.

Cost of sheep milk: \$750,000.00

Cost of production: \$473,332.00

Return from sales of 100,000 pounds sheep milk artisan/specialty cheese: \$875,000.00

Return from sales of 32,000 pounds Arabic style sheep milk cheese: \$200,000.00

Return from sales of 80,000 pounds Labneh: \$400,000.00

Return from sales of 166,666 pounds sheep milk yogurt: \$499,998.00

Total gross returns: **\$1,974,998.00**

Total costs: **\$1,223,332.00**

Return after expenses: \$ 751,666.00

Explanation of projections

These figures are based on the following assumptions:

Whole sale price of Artisan/specialty sheep cheese per pound: \$8.75

Whole sale price of Arabic style cheese per pound: \$6.25

Whole sale price of Labneh per pound: \$5.00

Whole sale price of sheep milk yogurt per pound: \$3.00

Only 50% of each years aged sheep milk cheese will be sold each year with the remainder to be sold in the following year.

Cost of production is based on a price of \$1.25 per pound of finished product and includes;

Employee wages

Utilities

Cheese/yogurt making supplies

Cleaning supplies

Product packaging

Total gross income for both operations \$2,953,248.00

Total expenses for both operations \$1,782,874.00

Total net \$1,170,374.00

Product demand

The USA is the largest importer of sheep milk products in the world, importing an estimated 70 million tons of sheep milk products per year. Arabic food distributors are looking for a source of domestically produced traditional sheep milk products such as Jameed, Labneh, Jibneh/white cheese and butter/gee/zibdeh.

Many brokers and distributors feel that sheep milk products are on the verge of a large surge in popularity. More consumers are becoming aware of what sheep milk products have to offer both in culinary aspects and health benefits. Many doctors and nutritionists are now recommending sheep milk and dairy products to clientele with food allergies instead of synthetic or plant based dairy alternatives. Sheep milk is the “real” dairy, dairy alternative.

For those concerned with environment issues, sheep dairy production has a much lower environmental impact than cow dairy production.

Marketing Plan

Sales of artisan and specialty products will continue with markets developed by WSDC. These markets will continue through distributors and retailers on the east coast, Chicago, Minneapolis/St. Paul and other points across the United States. We plan for further development of these and other markets.

The market for Arabic products is huge with no other American company producing these products from sheep milk at this time. Through product sampling we have established demand from Arabic grocery store chains in the Detroit metro area along with Arabic retail stores and deli's in Milwaukee, Minneapolis/St. Paul and on the East Coast. Arabic products will be marketed through sales brokers and distributors within the Arabic community.

Business and product advertising will be done primarily through distribution of brochures, websites and social media.

Our company's success short term will be based on current demand for sheep milk products. We will continue to fill and grow the markets developed by the Wisconsin Sheep Dairy Cooperative. Our long term success will come from further development of artisan cheeses and Arabic style dairy products and their market through the use of large volumes of sheep milk.

Blue Hills Dairy, LLC has high potential for success due to 25 years of experience and knowledge of the sheep and sheep dairy industry by key personnel of our company. We will improve the efficiency of our company farms with the further introduction of improved sheep dairy genetics imported from Europe and better management of those genetics based on experience.

We also view this business as a way of rejuvenating the rural communities in our area by providing jobs and opportunities to utilize small farm holdings that are currently sitting idle.

WSDC Brand and Product Labels



Further information about the sheep dairy industry

The following videos can provide further information about the sheep dairy industry.

Sheep dairies in the USA:

https://www.youtube.com/watch?v=TZ_lzNSc-HI

Spain has a progressive dairy sheep improvement program:

<https://www.youtube.com/watch?v=6GfS5PQ-AjI>

New Zealand has a very progressive sheep dairy industry and can serve as model for our business here:

<https://www.youtube.com/watch?v=PmUZUiedWWg&t=3s>

<https://www.youtube.com/watch?v=KmOEEZvJAA8>

<https://www.youtube.com/watch?v=4a4B5xE1sP4>

<https://www.youtube.com/watch?v=TAPsAkhWLPa>

<https://www.youtube.com/watch?v=0RR7RFDR1SE&t=96s>

Bios of key personnel

Larry Meisegeier

Sheep farm and milk production manager.

I am 59 years old. My wife and I have been married for 27 years. We have two sons, Edward 34 and Charlie 33, both have extensive experience and knowledge of sheep production. We also have six grandchildren.

I am a fourth generation livestock and dairy producer growing up on my father and grandfather's dairy and livestock farms in Rusk County, WI. The farm that my grandfather started in 1945 is still in operation by my cousin and his son. Our farm has been in my wife's family since 1912. We took it over in 1986 and have built it to what it is today.

I have been in the livestock industry my entire life and career. I worked two years in the egg industry on a farm with 1.2 million chickens. I worked sixteen years in the fur industry on a mink farm that pelted 80,000 mink annually.

In 1995 I was one of three sheep producers that founded the Indianhead Sheep Breeders Association. I served seven years as President of the organization. The primary goal of the ISBA has been education and in Feb. 2020 the organization held its twenty-fifth Shepherds Clinic, a day of educational seminars for sheep and goat producers.

In 1996-97 my wife and I worked for the UW-Madison in their dairy sheep research project at the Spooner Ag Research Station. We were part of the original group that formed the Wisconsin Sheep Dairy Cooperative. I was elected to the WSDC Board of directors in 2000 and since then have served as both Vice President and President also filling the role of field representative and quality control. I have helped many people start and build successful sheep dairies in WI and other states.

I was a founding member of the Dairy Sheep Association of North America and served two years as President of that organization. I was the chairman of one of DSANA's Dairy Sheep Symposium and was on the planning committee for several others. DSANA has members from all over the USA, Canada and Mexico. The organization holds an annual Dairy Sheep Symposium in different locations in all three countries.

I have prepared and given educational presentations at ISBA Shepherd's Clinics, Annual Spooner Sheep Days, Dairy Sheep Symposiums and was an instructor at the UW Sheep Dairy Schools.

Our sheep flock has gone through many transitions in the past thirty years. We have worked with nearly every breed of sheep available in the US at one time or another. In 1996 we began transitioning to dairy sheep breeding with East Friesian and a few years later adding Lacaune. In 2010 I met Paolo Losecco, a businessman from the Chicago area, and in 2012 we imported Awassi embryos and semen from Australia and produced our first Awassi and Awassi composite sheep in 2013. We made further importations of semen in 2016 and 2017 which included two other fat tail breeds, Afrikaner and Damara. We now have an inventory of around

500 units of frozen semen of these breeds and own the largest number of Awassi and Awassi composite sheep in the USA.

My wife and I are now the sole owners of WSDC. Since taking over the WSDC we have developed several types of sheep milk cheese, yogurt and butter. We have developed a brand and individual product labels that are now known and recognized by many across the country. WSDC products are now sold through large distributors on the East Coast and Midwest, in small, medium and large retail outlets in select areas across the country and our products are used in food service by many restaurants. Marketing and public relations has been done by us primarily at farmers markets, trade shows and in retail stores.

Emily Meisegeier

Dairy plant and product production manager.

I was born in 1959 with my twin brother. At that time my father worked for the railroad and my mother was a school teacher. In 1960 our family moved to Duluth, MN. My father became a school teacher and both of my parents worked as teachers. I was raised in Duluth but with ties to the farm my maternal grandparents operated until my Grandfather retired in 1965.

After graduating high school I took general education courses at UW Superior and UM Duluth. I lived in North Dakota for nine years working in agriculture and also at a fireworks factory. In 1990 I completed Agriculture courses at WITC which included livestock management and livestock nutrition. In 1991 I completed a Certified Nursing Assistant course and became a licensed CNA and worked at a nursing home for five years. In 1995 I completed a business short course at WITC. Larry and I launched an agri-tourism business taking clients on hiking and camping trips into 9000 acres of county owned forest land known as the Blue Hills using Llamas as pack animals. Our business was featured on a local TV station's outdoors program taking the host and camera man on a hike. In 1996 and '97 we had the opportunity to work with the UW-Madison's Dairy Sheep Research project at the Spooner Ag Research Station. In 1999 we built milking facilities on our farm and have been milking sheep since then. Beginning in 1996 I worked 15 years in manufacturing at Rockwell Automation. My positions at Rockwell included customer service, inventory control, production planning, shipping and receiving both domestic and international. Beginning January 1, 2012, I was hired by the Wisconsin Sheep Dairy Cooperative as office manager responsible for all bookkeeping, helping coordinate milk loads and cheese makes. Also helping with sales and marketing. Within a year I was doing all of the bookkeeping, coordinating all milk shipments, cheese makes, sales and marketing. Currently I do bookkeeping, assist cheese cutting and packaging, process and ship customer orders.

Connie Trott

Licensed cheese maker/licensed butter maker.

Cheese making course, UW-River Falls. Apprenticeship, Castle Rock Organic
Butter makers course, UW-Madison

Connie and her husband are former dairy cow producers. Connie has kept and milked dairy goats and has made cheese and dairy products on a homestead scale for several years.

Jim Doke

Business and financial advisor.

Jim and his wife Diane have two children and six grandchildren. Jim graduated from Hayward high school in 1961. Graduated from Superior State University, now the University of Wisconsin Superior, with a Bachelor of Science degree in 1965. Jim taught Jr. high school at Bruce, WI from 1965 to 1977.

In 1977 Jim joined the New York Life Insurance Company and was involved in life insurance sales, variable products and mutual fund sales. He worked for New York Life for thirty years in the financial markets specializing in estate planning and preservation. Jim retired in 2011 at the age of sixty eight.

Ahmed Al-Qoraan

Arabic product market and development advisor.

Ahmed was born in the country of Palestine. As a young man he immigrated to the USA and now lives in the Minneapolis metro area with his wife and four children.

Ahmed has a vast knowledge of Arabic and Middle Eastern customs and foods. He also provides Blue Hills Dairy, LLC as a liaison to the Arabic community in the USA.

Thank you for reviewing our investment proposal.

For any questions or to discuss this further, please contact Larry Meisegeier at 715-563-2391 or rrsf@sheepmilk.biz

To make arrangements to purchase shares, please contact Larry Meisegeier at 715-563-2391 or rrsf@sheepmilk.biz