

Jamuna Dairy Farm



Brief Bio Data of the Entrepreneur

- Name : Mst. Papeya Begum
Date of Birth - 12th February, 1988 (26 years)
- Address : Vill: Baosi , Gazaria, Post: Fulchari, Thana: Fulchari,
Dist: Gaibandha
- Mother : Mst. Laily Begum, Centre # 81/Mo, Varatkhali Ullah
Bazar, Saghata, Gaibandha
- *(Grameen Bank Borrower)* : Member since 9th November, 2010
Existing Loan -10,000 Outstanding Loan-5,000
- Educational Qualification : S.SC Pass
- Experience : Entrepreneur has (3) years experience in livestock farming business through association with her family business. She is currently undertaking a training on Livestock from *Jubo Unnayon Sangstha*.

BUSINESS BRIEFING

- Proposed Business : *Jamuna Dairy Farm*
- Location : Own residence
- Investment Required : BDT 400,000/-
- Financing :
 - Entrepreneur - 80,000/- (Cash)
 - Investor BDT- 320,000/-
- **Implementation**

The project will start with 2 cows targeting break even within the first year & pay back period is estimated to seven years.

Objectives

- Enhancement of entrepreneurial skills;
- Employment opportunities for others;
- Improving livelihood of the entrepreneur;
- Furthering the cause of improving nutrition in the community;

INVESTMENT BREAKDOWN

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Purchase of Cows	-	250,000	250,000
Cow Shed	80,000	30,000	110,000
Feeding Bowls & Fixtures and Fittings	-	20,000	20,000
Land lease for Grass	-	10,000	10,000
Feed & Others-Working Capital	-	10,000	10,000
Total Required Capital	80,000	320,000	400,000

Means of finance

Particulars	Amount (BDT)	%
Entrepreneur's Contribution	80,000	20%
Investor's Investment	320,000	80%
Total	400,000	100%

Key Assumptions:

- After investment, each cow will produce 14 liters of milk per day on an average.
- Estimated selling price of per liter milk is tk. 42.

Financial Projection

Particulars	Year 1 (BDT)		Year 2 (BDT)		Year 3 (BDT)			Year 4 (BDT)		Year 5 (BDT)		Year 6 (BDT)		Year 7 (BDT)	
	Monthly	Yearly	Monthly	Yearly	Daily	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly
Revenue															
Milk Sales	21,000	252,000	31,500	378,000	1,750	52,500	630,000	73,500	882,000	94,500	1,134,000	126,000	1,512,000	157,500	1,890,000
Calf sales	-	-	-	20,000	-	-	20,000	2,083	25,000	1,667	20,000	3,333	40,000	3,333	40,000
Cow dung sales	100	1,200	200	2,400	10	300	3,600	400	4,800	500	6,000	500	6,000	500	6,000
Old cow sales	-	-	-	-	-	-	-	-	-	-	-	3,333	40,000	6,667	80,000
Total Revenue	21,100	253,200	33,367	400,400	1,816	54,467	653,600	75,983	911,800	96,667	1,160,000	133,167	1,598,000	168,000	2,016,000
Less: Estimated Variable Expenses															
Feed	13,688	164,250	20,531	246,375	1,200	36,500	438,000	52,195	626,340	66,430	797,160	85,410	1,024,920	109,135	1,309,620
Vaccine & Other Medicines	333	4,000	500	6,000	28	833	10,000	1,167	14,000	1,500	18,000	2,000	24,000	2,500	30,000
Total Variable Cost	14,021	168,250	21,031	252,375	1,228	37,333	448,000	53,362	640,340	67,930	815,160	87,410	1,048,920	111,635	1,339,620
Contribution Margin (CM):	7,079	84,950	12,335	148,025	588	17,133	205,600	22,622	271,460	28,737	344,840	45,757	549,080	56,365	676,380
Less: Fixed Cost															
Electricity	250	3,000	300	3,600	12	350	4,200	450	5,400	500	6,000	550	6,600	600	7,200
Salary (Self)	3,000	36,000	4,000	48,000	167	5,000	60,000	6,000	72,000	7,000	84,000	9,000	108,000	10,000	120,000
Ownership Transfer fees	-	-	417	5,000	17	500	6,000	833	10,000	1,000	12,000	1,250	15,000	1,333	16,000
Depreciation	2,167	26,000	2,167	26,000	72	2,167	26,000	2,167	26,000	2,167	26,000	2,167	26,000	2,167	26,000
Total Fixed Cost	5,417	65,000	6,883	82,600	267	8,017	96,200	9,450	113,400	10,667	128,000	12,967	155,600	14,100	169,200
Net Profit	1,663	19,950	5,452	65,425	304	9,117	109,400	13,172	158,060	21,333	216,840	25,933	393,480	28,200	507,180
Cumulative Profit		19,950		85,375			194,775		352,835		569,675		963,155		1,470,335

Break even analysis

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Rev.)	34%	34%
Break Even Point (Fixed Cost/CM):	5,417	65,000
	34%	34%
Break Even Point Sales	16,145	193,737

Cash flow (Rec. & Pay.)

<i>Particulars</i>	<i>Year 1 (BDT)</i>	<i>Year 2 (BDT)</i>	<i>Year 3 (BDT)</i>	<i>Year 4 (BDT)</i>	<i>Year 5 (BDT)</i>	<i>Year 6 (BDT)</i>	<i>Year 7 (BDT)</i>
Cash Inflow							
New Investment	400,000	-	-	-	-	-	-
Net Profit	19,950	70,425	115,400	168,060	228,840	408,480	523,180
Depreciation	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Opening Balance of Cash Surplus	-	55,950	122,375	227,775	361,835	544,675	759,155
Total Cash Inflow	445,950	152,375	263,775	421,835	616,675	979,155	1,308,335
Cash Outflow							
Purchase of Cows	250,000	-	-	-	-	-	-
Cow Shed	110,000	-	-	-	-	110,000	-
Feeding Bowls & Fixtures & Fittings	20,000	-	-	-	-	20,000	-
Feed & Others-Working Capital	10,000	-	-	-	-	-	-
Investment Pay Back	-	30,000	36,000	60,000	72,000	90,000	96,000
Total Cash Outflow	390,000	30,000	36,000	60,000	72,000	220,000	96,000
Total Cash Surplus	55,950	122,375	227,775	361,835	544,675	759,155	1,212,335

Outcomes

- The business will start with 2 cows and it is expected that by the end of seven years the number of cows will be 15.
- Milk production is estimated to be 10 to 16 liters./day/cow and will increase gradually with the increase in the number cows.
- Other than sales of milk revenue will be generated from selling calves, cow dung etc.

Risk Factors

- Epidemics
- Theft
- Unavailability of food
- Market for milk

Risk Management

- Adequate precaution to be taken
- Proper security measures will be taken
- Adequate food needs to be stored in case of shortage
- Sourcing new outlets for selling milk

Thank You

