

Hamida Dairy Farm



Brief Bio of the Entrepreneur

- Name : Md. Didarul Islam
- Address : Vill: Patrokhat (Baparipara), Post: Jurgas, Thana: Chilmari, Dist: Kurigram
- Mother : Mrs. Hamida Begum, Centre # 7/Mo, Group: 02, Loan no.: 7905
- *(Grameen Bank Borrower)* : Member since January 26, 1994
Existing loan - BDT 42,000, Outstanding- BDT 27,000
- Educational Qualification : Diploma Pass
- Experience : Entrepreneur has 2 (two) years experience in livestock farming business through association with family business.

BUSINESS BRIEFING

- Proposed Business : ***Hamida Dairy Farm***
- Location : Entrepreneur's residence
- Investment Required : **BDT 700,000**
- Financing :
Entrepreneur – ***50,000***
Investor BDT- **650,000**
- **Implementation**

The project will start with 4 cows targeting break even within the first year & pay back period is estimated to be 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;
- Scopes for use of animal waste to produce biogas and fertilizer, thus furthering the cause of a better environment.

INVESTMENT BREAKDOWN

Particulars	Proposed (BDT)	Total (BDT)
Cows	520,000	520,000
Cow Shed	100,000	100,000
Fixtures & Fittings	15,000	15,000
Feeding Bowls	20,000	20,000
Water Motor	20,000	20,000
Land lease for Grass	15,000	15,000
Feed & Others-Working Capital	10,000	10,000
Total Required Capital	700,000	700,000

Means of finance

Particulars	Amount (BDT)	%
Entrepreneur Contribution	50,000	7%
Investor's Investment	650,000	93%
Total	700,000	100%

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	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly
Revenue														
Milk Sales	36,400	436,800	54,600	655,200	91,000	1,092,000	109,200	1,310,400	136,500	1,638,000	163,800	1,965,600	182,000	2,184,000
Calf Sales	-	-	3,333	40,000	1,667	20,000	3,333	40,000	3,333	40,000	3,333	40,000	3,333	40,000
Sale of Old Cow	-	-	-	-	3,334	40,000	-	-	3,333	40,000	3,333	40,000	6,667	80,000
Sale of Cow dung	1,000	12,000	1,500	18,000	1,000	12,000	2,250	27,000	2,500	30,000	2,750	33,000	2,750	33,000
Total Revenue	37,400	448,800	59,433	713,200	97,000	1,164,000	114,783	1,377,400	145,667	1,748,000	173,217	2,078,600	194,750	2,337,000
Less: Esimated Variable Expenses														
Feed	22,143	265,720	44,287	531,440	77,502	930,020	88,573	1,062,880	116,253	1,395,030	132,860	1,594,320	155,003	1,860,040
Vaccine & Others Medicine	333	4,000	667	8,000	1,167	14,000	1,867	22,400	2,450	29,400	2,800	33,600	3,267	39,200
Total Variable Cost	22,477	269,720	44,953	539,440	78,668	944,020	90,440	1,085,280	118,703	1,424,430	135,660	1,627,920	158,270	1,899,240
Contribution Margin (CM):	14,923	179,080	14,480	173,760	18,332	219,980	24,343	292,120	26,964	323,570	37,557	450,680	36,480	437,760
Less: Fixed Cost														
Electricity	400	4,800	500	6,000	600	7,200	700	8,400	800	9,600	900	10,800	1,000	12,000
Salary (Self)	5,000	60,000	6,000	72,000	7,000	84,000	8,000	96,000	9,000	108,000	10,000	120,000	11,000	132,000
Land Lease for grass	1,250	15,000	1,667	20,000	2,083	25,000	2,500	30,000	2,917	35,000	3,333	40,000	3,333	40,000
Ownership Transfer fees	-	-	833	10,000	1,000	12,000	1,667	20,000	1,667	20,000	2,222	26,667	3,444	41,333
Depreciation	1,750	21,000	1,750	21,000	1,750	21,000	1,750	21,000	1,750	21,000	1,750	21,000	1,750	21,000
Total Fixed Cost	8,400	100,800	10,750	129,000	12,433	149,200	14,617	175,400	16,133	193,600	18,206	218,467	20,528	246,333
Net Profit	6,523	78,280	3,730	44,760		70,780		116,720		129,970		232,213		191,427
Cumulative Profit		78,280		123,040		193,820		310,540		440,510		672,723		864,150

Break even analysis

Particulars		Monthly	Yearly
Contribution Margin Ratio: (CM/Rev)		40%	40%
Break Even Point (BEP):	<u>C/M Ratio</u>	8,400	100,800
	Fixed Cost	40%	40%
Break Even Point (in Tk.)		21,052	252,619

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	700,000	-	-	-	-	-	-
Net Profit	54,760	82,780	136,720	149,970	258,880	232,760	232,760
Depreciation	21,000	21,000	21,000	21,000	21,000	21,000	21,000
Opening Balance of Cash Surplus	-	95,760	139,540	225,260	276,230	436,110	309,870
Total Cash Inflow	775,760	199,540	297,260	396,230	556,110	689,870	563,630
Cash Outflow							
Purchase of Cows	520,000	-	-	-	-	-	-
Cow Shed	100,000	-	-	-	-	160,000	160,000
Fixtures and Fittings	15,000	-	-	-	-	35,000	35,000
Feeding Bowls	20,000	-	-	-	-	25,000	25,000
Land lease for Grass	15,000	-	-	-	-	-	-
Feed & Others-Working Capital	10,000	-	-	-	-	-	-
Investment Pay Back	-	60,000	72,000	120,000	120,000	160,000	248,000
Total Cash Outflow	680,000	60,000	72,000	120,000	120,000	380,000	468,000
Total Cash Surplus	95,760	139,540	225,260	276,230	436,110	309,870	95,630

Outcomes

- The business will start with 4 cows and it is expected that by the end of seven years the number of cows will be 20.
- Milk production is estimated to be 13 to 15 lit./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.

Bio Gas Plant

- To be installed at the 8th year when stock reaches 15
- 200 kilos of dung/day
- 7 feet plant
- Cost of Plant BDT 120,000.00
- Cost of Generator BDT 40,000.00
- Power Generation 2,000 Watts (3 to 4 hours/day)

Risk Factors

- Epidemics
- Theft
- Unavailability of food.

Risk Management

- Adequate precaution to be taken
- Proper security measures will be taken
- Adequate food needs to be stored in case of shortage

Photo exhibition

















Thank You