

Satota Dairy Farm



Brief Bio Data of the Entrepreneur

- Name : Md. Mizanur Rahman Khan
- Address : Age - 24 years
- Address : Vill: Putimary, Post: Khamar Dhanaruha, Thana: Saghata, Dist: Gaibandha.
- Mother : Mst. Monzila Begum, Centre # 05/Mo, Putimary, Mukti Naghar, Gaibandha.
- *(Grameen Bank Borrower)* : Member since 11th April, 2011
- Existing Loan -8,000 Outstanding Balance =Nil
- Educational Qualification : Degree Pass
- Experience : Entrepreneur has (3) years experience in livestock farming business through association with family business. He is currently undertaking a training on Livestock from *Jubo Unnayon Sangstha*.

BUSINESS BRIEFING

- Proposed Business : ***Satota Dairy Farm***
- Location : Own residence
- Investment Required : BDT 400,000/-
- Financing :
 - Entrepreneur - 50,000/-
 - Investor BDT- 350,000/-
- **Implementation**

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

Objectives

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

INVESTMENT BREAKDOWN

Particulars	Entrepreneure's Investment (BDT)	Proposed (BDT)	Total (BDT)
Purchase of Cows	-	240,000	240,000
Cow Shed	50,000	70,000	120,000
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	50,000	350,000	400,000

Means of finance

Particulars	Amount (BDT)	%
Entrepreneure's Contribution	50,000	13%
Investor's Investment	350,000	88%
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.
- Every cow provide milk on an average 210 days in a year.
- Each cattle will take 8 (eight) K.G feed per day.
- No. of cows increase over the period.

Particulars	1 st year	2 nd year	3 rd year	4 th year	5 th year
No. of cows	2	3	5	7	9

Financial Projection

Particulars	Year 1 (BDT)			Year 2 (BDT)			Year 3 (BDT)			Year 4 (BDT)			Year 5 (BDT)		
	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly
Revenue															
Milk Sales	700	21,000	252,000	1,050	31,500	378,000	1,750	52,500	630,000	2,450	73,500	882,000	3,150	94,500	1,134,000
Calf sales	-	-	-	-	-	20,000	-	-	20,000	56	1,667	20,000	56	1,667	20,000
Cow dung sales	3	100	1,200	7	200	2,400	10	300	3,600	13	400	4,800	17	500	6,000
Old cow sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	703	21,100	253,200	1,113	33,367	400,400	1,816	54,467	653,600	2,519	75,567	906,800	3,222	96,667	1,160,000
Less: Esimated Variable Expenses															
Feed	400	12,167	146,000	600	18,250	219,000	1,000	30,417	365,000	1,400	42,583	511,000	1,800	54,750	657,000
Land lease for Grass	28	833	10,000	33	1,000	12,000	39	1,167	14,000	47	1,417	17,000	56	1,667	20,000
Vaccine & Others Medicine	6	167	2,000	8	250	3,000	14	417	5,000	19	583	7,000	25	750	9,000
Total Variable Cost	433	13,167	158,000	642	19,500	234,000	1,053	32,000	384,000	1,467	44,583	535,000	1,881	57,167	686,000
Contribution Margin (CM):	270	7,933	95,200	471	13,867	166,400	763	22,467	269,600	1,052	30,983	371,800	1,342	39,500	474,000
Less: Fixed Cost															
Electricity	8	250	3,000	10	300	3,600	12	350	4,200	15	450	5,400	17	500	6,000
Salary (Self)	167	5,000	60,000	233	7,000	84,000	267	8,000	96,000	300	9,000	108,000	333	10,000	120,000
Ownership Transfer fees	-	-	-	28	833	10,000	56	1,667	20,000	56	1,667	20,000	56	1,667	20,000
Depreciation	39	1,167	14,000	39	1,167	14,000	39	1,167	14,000	39	1,167	14,000	39	1,167	14,000
Total Fixed Cost	214	6,417	77,000	310	9,300	111,600	373	11,183	134,200	409	12,283	147,400	444	13,333	160,000
Net Profit	51	1,517	18,200	152	4,567	54,800	376	11,283	135,400	623	18,700	224,400	889	26,667	314,000
Cumulative Profit	18,200			73,000			208,400			432,800			746,800		

Break even analysis

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Rev)	38%	
Break Even Point (BEP): (Fixed Cost/CM Ratio)	6,417	77,000
	38%	38%
Break Even Point (in Tk.)	17,066	204,794

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>
Cash Inflow					
New Investment	350,000	-	-	-	-
Net Profit	18,200	64,800	155,400	244,400	334,000
Depreciation	14,000	14,000	14,000	14,000	14,000
Opening Balance of Cash Surplus	-	42,200	61,000	110,400	248,800
Total Cash Inflow	382,200	121,000	230,400	368,800	596,800
Cash Outflow					
Purchase of Cows	240,000	-	-	-	-
Cow Shed	70,000	-	-	-	-
Feeding Bowls & Fixtures & Fittings	20,000	-	-	-	-
Feed & Others-Working Capital	10,000	-	-	-	-
Investment Pay Back	-	60,000	120,000	120,000	120,000
Total Cash Outflow	340,000	60,000	120,000	120,000	120,000
Total Cash Surplus	42,200	61,000	110,400	248,800	476,800

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 9.
- 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

