

Pig and poultry regenerative farming

BUSINESS PLAN

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BUSINESS PLAN SUMMARY

Boncalo Company Limited is a private company Limited by shares. It is established and registered under The Business Registrations and Licensing Agency (BRELA) under registration number 163741113. By submitting this business proposal, the company hopes to demonstrate its intention to build and operate a state-of-the-art swine and poultry farm that will boost the Nation's swine and poultry output. Through the company, we intend to increase the country's swine and poultry production hence improve food security, grow Tanzania's livestock industry, increase local employment opportunities and contribute to the Tanzania development vision of 2025 in the agricultural sector.

Business Location: Morogoro, Tanzania.

Business Owner: Boncalo Company Limited.

Products/Services

Boncalo Company Limited is a pig and poultry farm that is looking to grow and become one of the biggest meat producers in the country, we will be growing stock for sale to abattoirs, retail stores and local community buyers. In addition to producing pigs and chicken, Boncalo Company Limited will serve as a hub for employment possibilities and a location for education for the local populations. We are looking at growth that will allow the company to move gradually into other livestock farming such as cattle, sheep or lamb farming and fish farming also bee farming. Boncalo company is looking to manufacture secondary products from livestock such as bacon, sausages, salami, marinated and packaged Pork ribs. With the company growth we are looking at extending more products such as coated and packaged chicken fillets, Nugget's, pops and many more, creating new meat byproducts, produced locally, more accessible and affordable to every citizen.

The Market

Target Market:

The company aims to penetrate both the local and foreign markets within the next five years. The customer base is anticipated to span from individual consumers at lower levels to the industry and international levels. In the country, retailers dominate meat product sales, providing us with an opportunity to market our meat and meat products through retail channels. Additionally, we plan to engage with abattoirs and agents, who play crucial roles in determining meat prices and distribution. Furthermore, we intend to involve surrounding communities in livestock farming and poultry production. Looking ahead, the company envisions expanding its operations to include exports to foreign countries.

Marketing strategy:

The farm intends to transform conventional pork farming into a socially and culturally inclusive practice, embracing the diverse cultures present in Tanzania and its surroundings. The goal is to enable communities to actively participate in the marketing process and become stakeholders in the brand ownership.

This will assist with creating:

- Brand Awareness
- Meat type awareness
- Piggery education
- Processed meat processes
- Product availability
- Target Township Based, Restaurants, Butcheries and supermarkets.

Any business aspiring to expand beyond its local vicinity must be prepared to employ various advertising methods, both conventional and unconventional. In our pursuit of business growth, we have developed thorough plans to establish our brand through diverse channels. Recognizing the significance of crafting strategies to enhance brand awareness and establish a corporate identity for our commercial livestock farming venture, we aim to utilize the following platforms to boost our brand and advertise our business.

- Place adverts on both print (newspapers and magazines) and electronic media platforms
- Sponsor relevant community-based events / programs
- Leverage on the internet and social media platforms like; Instagram, Facebook, twitter, YouTube, Google to promote our business
- Install our Bill Boards on strategic locations all around Morogoro – Dar Es Salaam and Dodoma
- Engage in road show from time to time in targeted neighborhoods
- Distribute our fliers and handbills in target areas
- Contact corporate organizations and residence in our target areas by calling them up and informing them of Boncalo Company Ltd and the farm produce we sell
- List our commercial livestock farms in local directories / yellow pages
- Advertise our commercial livestock farms in our official website and employ strategies that will help us pull traffic to the site.
- Ensure that all our staff members wear our branded shirts and all our vehicles and trucks are well branded with our company logo.

The Marketing Mix

The Marketing Mix can be summarized as the four Ps (4Ps): **Products, Price, Place, and Promotion**

Product

- The objective is to ensure that animals and birds receive high-quality feeds.
- Deliver top-notch meat products that aligns with current market preferences.
- Prevent distress among our animals and birds by constructing a world-class facility.

- Cultivate strong relationships with all suppliers, ensuring a steady supply of feeds, medication, and other necessary resources for farm operations.
- Offer employees favorable working conditions and competitive, market-related wages.

Price

Direct costs.

Direct costs in pig and poultry farming refer to the specific expenses directly associated with the production and maintenance of pigs and poultry. These costs are directly attributable to the raising, feeding, and care of the animals and are directly related to the products or services that business makes or sells, examples are the cost of buying breeding stock, feed production and storage, vaccines and other medications and so on, Typically, these expenses also encompass the remuneration for hired individuals engaged in various farm activities such as pig and chicken production or sales, transportation of inputs, and the distribution of farm products.

Indirect costs.

These represent additional operational expenditures necessary for the business, such as rent, licensing, security, and more. Indirect costs, commonly referred to as overheads, are ongoing expenses incurred irrespective of the business's production status, meaning they are incurred whether or not the business is actively engaged in production.

Determining price

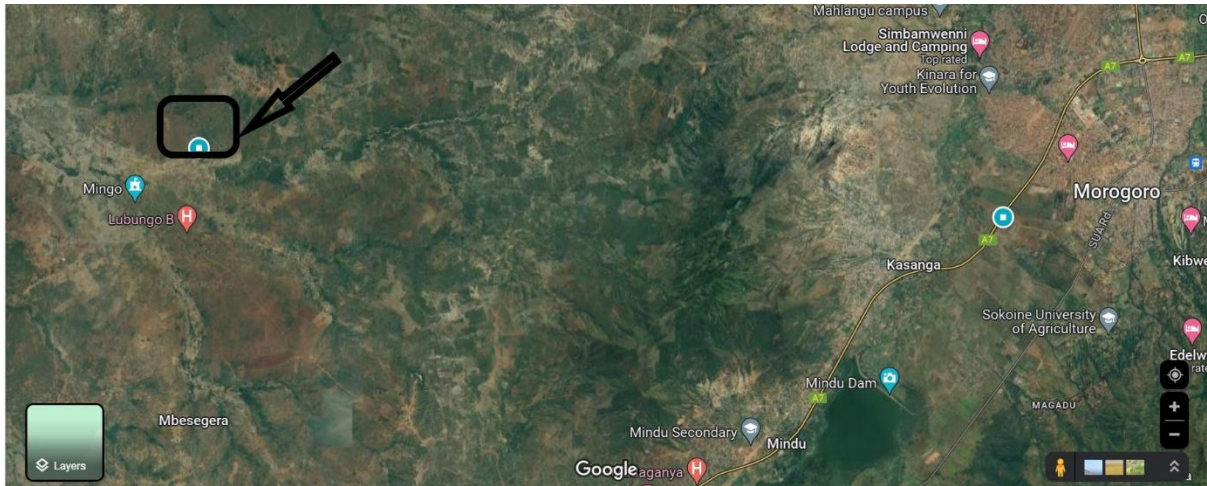
When setting a price for pig farm products we need to consider the following;

- The total product cost (direct and indirect)
- The amount of money customers is willing to pay
- The competitor's prices $\text{Total costs} + \text{Profit} = \text{Price}$
- International Markets and Export levies

The pricing for all products will be structured to strike a balance with the daily operations of the organization while maintaining competitiveness.

Place

The company intends to set up the pig farm on a 281-acre parcel of land situated in the villages of Lubungo B and Mingo within the Mvomero district in Morogoro, Tanzania. The survey diagrams for the land plot are provided as attachments in the APPENDIX section.



The Future

Vision statement

The vision of the company is to Re-establish the Agriculture industry in Tanzania, contribute to the agricultural sector especially in Livestock keeping and to generate more employment opportunities to local youth.

Goals/objectives

The Company objective is to grow the business with an intention of an inclusive purpose to include the community in making sure that everyone residing within the farm (with attention given to the youth) benefits from the project and address issues of,

- Unemployment
- Poverty
- Lack of education
- Food security
- Crime

The Business

Boncalo Company Limited is a privately held company with diversified interests in the agricultural, IT, and tourism sectors. It is officially registered with the appropriate authorities in Tanzania. The primary focus of the company at present is the initiation of a specialized commercial farm dedicated to breeding and multiplying pigs and poultry, employing advanced operational technologies. The intended location for this venture is in Morogoro, specifically in the villages of Lubungo B and Mingo, where the company has secured a lease for a 281-acre parcel of untapped farmland.

The pig and poultry farming venture will remain in operation throughout the duration of the land lease provided by the government. This extensive piece of land will serve as a platform for both pig and poultry farming, allowing us to rear pigs, piglets, and poultry. Additionally,

the land provides the space to set up a processing plant for transforming primary products into secondary products. The business scope encompasses the rearing of pigs, piglets, and poultry, along with the processing and packaging of pig meat (pork) and poultry products. The primary objective of the farm is to modernize and technologically advance both pig and poultry farming processes in Tanzania to the greatest extent possible.

Business opportunity

In line with plans outlined in the Development Vision 2025, the Tanzania pig industry has the capacity to become a dynamic market-oriented sector operating in a more sustainable and climate-smart manner, supplying consumers with high quality and safe pork, contributing to nutritional security, livelihoods and economic growth. As An emerging industry in Tanzania, the pig sector provides income and animal-source food for 190,000 households, and sustains 1,436 enterprise units. There are approximately two million pigs distributed throughout the country, 82% of which are owned by smallholders.

There are two major pig production systems in Tanzania the traditional extensive family and modern intensive specialized system. The traditional system is characterized by low productivity, a scavenging and semi-scavenging system with an average holding of 1–3 gilts per household and a litter size of 6–8. The commercial specialized pig production systems is an intensive system with moderately higher productivity of 8 gilts and litter size of 8–10. The pig industry in Tanzania is faced by several challenges as highlighted in the points below,

1. Disease is the most significant constraint facing the sector. Pig mortality is as high as 20% for young pigs before weaning, primarily due to the prevalence of several diseases and the lack of access to quality animal health services. African swine fever (ASF) is the number one killer of pigs. Once there is an outbreak, ASF is very difficult to eradicate. Although it is not zoonotic, ASF hampers pig meat production and product trade. Feed shortages and poor management and housing are also critical constraints limiting industry productivity.
2. Genetics is another hindering factor because most pigs are kept in traditional subsystems, marked by poor productivity due to low genetic potential, further aggravated by inbreeding.
3. Animal health also contributes because the delivery of animal health services in Tanzania is weak, aggravated by the low capacity of extension staff, the existence of pig health and reproductive challenges, and high prevalence of lethal diseases, such as ASF, foot-and-mouth disease, erysipelas, transmissible gastroenteritis and brucellosis.
4. Feed is another hindering factor as the supply and quality of commercial pig feeds is poor and erratic. Supply shortages is particularly problematic for large pig commercial/specialized pig farms. Moreover, the price of such feeds is extremely high, aggravated by the cost of premixes—such as amino acids, minerals and vitamins necessary to meet standard nutritional requirements.
5. Marketing and processing are other factor as pigs' prices in Tanzania are increased by marketing inefficiencies and high transportation costs from rural to urban areas. The sector is marked by shortages of pig abattoirs, cooling systems, weights and measures, and the absence of a quality grading system for pig meat. These challenges are aggravated by difficulties experienced by value chain actors in accessing formal credit sources, hindering investment in pig production.

6. Policy is a contributing factor as the development of pig sector in Tanzania is hindered by the absence of policies on marketing, transportation, holding and slaughtering facilities; land allocation for pig production and regarding incentives for the private sector investment.

To address these issues Boncalo Company Limited with its Pig farming project has developed strategies to mitigate these challenges through the establishment of a specialized commercial pig breeding and multiplication farm. It will focus on these strategies to make sure that the project is successful and sustainable,

1. Importation of new lines of improved high-yielding pig breeds adaptable tropical productive pig gilts and boars for breeding and crossbreeding to avoid inbreeding and increase productivity.
2. Establishing early detection and diagnosis systems for priority diseases.
3. Establishment of multi-level feed processing plants for feed especially cereal (yellow-corn, maize, sorghum, etc.) and legume (soya beans, pumpkins and other oil seed cakes) for the supply of quality feed.
4. Importation of substantial amounts of essential feed additives e.g. amino acids, vitamins and trace minerals with support from appropriate government agricultural body.
5. Establishment of appropriate processing facilities for the pork products which are unavailable in the country for affordable prices example salami, sausages and bacon.

Contrastingly, regarding poultry farming, the Annual Agriculture Sample Survey Crop & Livestock Report from the Ministry of Agriculture (2018) for the 2016/17 period reveals a substantial poultry population in Tanzania, totaling around 72 million chickens. This figure encompasses roughly 40 million indigenous breeds and 32 million commercial poultry, with 24 million designated for meat production and 8 million for egg-laying purposes.

Among the 4.7 million agricultural households in the nation, a notable 3.7 million households partake in poultry farming. Rural communities predominantly rear indigenous chicken breeds, playing a crucial role by constituting nearly 100% of the poultry meat consumed in rural areas. Furthermore, these breeds contribute to 20% of the eggs consumed in urban areas. This distribution highlights the substantial influence of poultry farming on both rural and urban communities in Tanzania.

Consequently, as of August 1, 2022, the Tanzania Ministry of livestock and fisheries assessment indicates that the chicken population in Tanzania is estimated at 97,940,332, demonstrating an annual growth rate of 5.9%. Using this growth rate as a reference, it is anticipated that the chicken population in Tanzania will reach approximately 106,226,005 by the conclusion of December 2023 and continue to grow in the coming years of 2024,2025 and more. The National Sample Census of Agriculture 2019/20 underscores the significance of poultry in Tanzanian agriculture, particularly in contributing to household income. Notably, chickens emerge as the primary source of income from livestock, accounting for more than half (53%), a notable lead over income from cattle.

Poultry production systems

There are three major poultry production systems in Tanzania. these are,

- Traditional poultry system
- Improved subsystem
- Commercial specialized system

Traditional poultry system

This is the conventional indigenous poultry subsystem centered around family units and operates as a widespread scavenging dual-purpose system, characterized by modest egg production (averaging 50 eggs per year) and limited meat yield (1.5 kg for mature chickens). This traditional approach encompasses a significant portion of the national poultry population, yet its output is notably lower than that of commercially raised poultry. The inherent low genetic potential of indigenous chickens contributes to their diminished productivity, with 70% of poultry breeds in Tanzania exhibiting low yields in both meat and egg production.

Improved subsystem

The enhanced system is a semi-intensive, semi-scavenging approach characterized by a moderately high production of 150 eggs per hen annually and a mature live weight of 1.8 kg. Both systems, the traditional and the improved, prioritize family involvement and follow familiar, traditional practices. In the improved subsystems, there is a family-oriented approach combining improved local breeds with imported tropical breeds to achieve better outcomes.

Commercial specialized system

The dedicated chicken system is an intensive model for both egg-laying and meat production, exhibiting remarkable productivity levels, including a mature live weight of 2 kg and an impressive output of 270 eggs per hen annually. Most of large poultry manufactures like Interchick falls into this category.

In Tanzania Many farmer marketing organizations primarily consist of small groups and are predominantly situated in urban areas. Challenges include the absence of facilities for poultry slaughtering and meat processing, along with concerns related to the promotion of poultry meat and egg marketing. Other issues are like traditional indigenous poultry systems suffer inadequate feed supply, high disease prevalence, predation and inadequate shelter.

Nonetheless, there is considerable potential for the poultry industry in Tanzania to enhance food and nutrition security while contributing to household and economic progress. Boncalo Company Limited plans to intervene by implementing changes, including:

- Importing high-quality and well-bred poultry.
- Establishing biosecurity measures and facilities to manage diseases like avian influenza.
- Setting up poultry slaughtering facilities.
- Establishing sanitation and packaging stations.

- Enhancing storage and transportation facilities.

Company Summary

Boncalo Company Limited, as a recent entrant into the Tanzanian market, aims to establish itself by adhering to local laws and complying with the country's tax regulations. Through these commitments, the company aspires to build a positive reputation, assemble a team of outstanding professionals, and secure a stable position in both the local and foreign markets.

The management & Ownership

Names of Owners: Mihai Boncalo.

Details of management & ownership: As the Director and founder of Boncalo Company Limited, Mihai Boncalo will be involved in the day-to-day farm operations for and fast and efficient project kickstart

Experience: Playing a pivotal role in a family-owned business focused on swine production, Mihai Boncalo contributes more than 8 years of comprehensive experience in the agriculture sector. His proficiency is notably concentrated in areas of improvement and automation. In 2013, he obtained certification in agriculture and animal farming. Mihai has acquired valuable expertise in various aspects of swine production, encompassing management techniques, human resource management, overseeing production systems, marketing products, strategic planning, and rural enterprise management.

Required Staff

Job Title	Quantity	Experienced staff turnover	Skills necessary	Date required
Farm manager, Head of finance and Logistics.	1	5 years	Relevant qualifications in project management, sales/marketing	Immediately
Administrator.	1	5 years	General administration, data capturing and filing	Immediately
Veterinarian.	2	5 years	Relevant field qualifications from accredited university/college	Immediately
Security and housekeeping.	3	5 years	Cleaning and security experience.	Immediately
Maintenance.	1	5 years	Technical skills and general maintenance	6 months
Farm and animal caretakers.	2	5 years	Necessary skills in animal caretaking	Immediately
Sales agent	1	5 years	Relevant qualifications from accredited institutions	6 months

Recruitment Options

The strategy involves seeking talented young individuals with farming expertise from the nearby community. This approach will encompass actively searching for candidates on LinkedIn and promoting opportunities through local newspapers, a regional radio station, and online platforms.

Training programs

We aim to transform the farm into an educational hub that empowers local youth by providing them with learning opportunities and exposure to modern farming practices through internships and visits to countries known for highly intensive farming and advanced agricultural technology.

While we prioritize the involvement of younger individuals, we also recognize the value of hiring experienced and skilled individuals from older generations. These seasoned individuals will play a crucial role in mentoring and guiding the younger generation, ensuring a smooth transition and knowledge transfer from elders to youth.

Skill retention strategies

Dedicated and long-serving employees will receive recognition through ownership stakes in the farm, offered in the form of shares and additional incentives. To support the well-being of our employees and their families, scholarships and internships will be extended, fostering income stability within their households. Furthermore, managerial roles will be assigned to individuals with both a history of long-term service and exceptional skills..

Products/services

Products/Services	Description	Price
Pigs (Farming)	This includes buying and growing piglets to be sold at auctions, abattoirs and retail shops.	Market related Price
Pork Meat cuts	This will include quality cut meat portions sold to the retail market, Local Community and food spots such as Restaurants, and local Butcheries.	Market related Price
Cold Meats and Sausages	Processing of sausages and other meat products will be done on the premises this will include sausages, Ham, Bacon, Salami and other cold meat cuts.	Market related Price
Ribs	This will include smoked and precooked Ribs and packaged to client's requirements.	Market related Price
Chicken carcass	To be sold to local chicken sellers or packaged for stores	Market related Price
Chicks	Destined to chicken farmers	Market related Price

Market position: Our long-term goal is to penetrate both local and international markets through exports. The company aims to not only target broader markets but also to establish a strong presence in local and township markets for both meat and processed meat. Recognizing the substantial consumer base in these areas, we aim to secure a significant market share and foster growth.

Value to customer: We want our customers to grasp the importance we place on food security within our organization. It is our commitment to contribute to the growth of the farming industry in Tanzania, positioning the country as a significant player in global pork and other animal production. While we aspire to be catalysts for progress in our local industry, our primary goal is to be recognized as a dependable and trustworthy supplier of pork and poultry products.

Growth potential: The organization's ambition is to elevate its status as a leading meat supplier on a national, continental, and global scale. Achieving growth for the organization involves expanding our annual pig reproduction from 1000 to 10,000, consequently broadening our meat production spectrum to encompass not only pork and poultry but also beef, and lamb.

Competitive comparison: The key to effective differentiation involves aligning the company's vision with the production of high-quality goods at a reasonable cost. Establishing a genuine and personal connection with customers is crucial. The company envisions offering top-quality, affordable products, often unavailable locally but imported from neighboring countries like Kenya. This strategy is believed to strengthen the local market and contribute to the country's economic growth. In addition to tangible benefits, our commitment extends to providing intangibles such as reliability and superior quality. Our business model revolves around the vision of marketing a brand that combines quality with profitability, setting us apart from competitors who primarily focus on product sales.

Technology

With the anticipated rise in the global population, meat consumption is projected to surge by 73% by the year 2050. Consequently, pig and poultry producers are expected to prioritize maximizing output per animal unit and increasing animal and bird density. Boncalo Company Limited seeks to implement SMART farming techniques to ensure optimal production. The company intends to employ various techniques to achieve this goal, including;

Automated feeding system

An efficiently automated system for controlling feed and water ensures timely and accurate delivery of the appropriate amount of feed to livestock. This system provides valuable insights into feed consumption and associated costs, aiding in the enhancement of feed conversion rates. Additionally, it offers a more accurate assessment of the overall health of the livestock.

Pigs tend to consume or leave only a small amount of feed in the trough after each visit, guaranteeing that each pig receives the designated quantity of blended feed. During

feeding, weighing components monitor the weight of pigs, and it is crucial to assess feed density weekly to convert feed volumes accurately into weights.

On the other hand, poultry necessitate constant access to feed in their feeders and an uninterrupted 24/7 water supply. Calibrating the weight of poultry can be done from a sample population, generally reflecting the entire population when the feeding and water systems are appropriately maintained. Ultimately, the analysis of all gathered data facilitates real-time management decisions.

Temperature and Environment Control

Another crucial aspect the project seeks to incorporate in pig and poultry farming is maintaining suitable temperatures for juvenile animals and chicks. This is where the significance of temperature and environment control becomes evident.

Technological advancements in pig and poultry farming now enable the provision of optimal environmental conditions for the animals and birds' growth. Specific temperature ranges are essential for successful livestock keeping, ensuring their well-being and health. The temperature of the animals' surroundings is particularly critical during farrowing and nursery management for pigs and during grower stage for poultry.

During farrowing and grower stage, maintaining optimal environmental conditions is vital for maximizing growth rates. The advancements in climate control systems include features such as mist creation alongside temperature regulation. This, combined with effective ventilation, establishes a comfortable and conducive environment for all the animals and their offspring.

Improved housing Systems

The housing systems play a crucial role in nurturing robust animals. A well-maintained and hygienic barn contributes to the well-being of livestock. Nevertheless, managing such a responsibility can be challenging. Fortunately, advancements in contemporary livestock technologies offer improvements to streamline this task.

Controlled indoor environments with regulated temperatures are optimal for pigs and poultry. Such settings prevent injuries, keep predators and diseases at bay, and maintain consistent, comfortable temperatures. Boncalo Company Limited plans to incorporate recent advancements in flooring within pig and poultry housing systems for this project. The flooring materials and designs are specifically crafted to facilitate easy cleaning, thereby promoting a healthier environment for the animals.

RISK MANAGEMENT

Risk	Likelihood	Impact	Strategy
Livestock theft	Likely	High	<ul style="list-style-type: none"> • Have an animal identification marking in place • Having an automated record of all Animals. • Count all stock regularly and keep a checked register. • A rapid report system to the police
Reliable feed supply	Likely	High	<ul style="list-style-type: none"> • Have a data base of animal feeds suppliers around Morogoro and surrounding • Qualifying of all suppliers is done quarterly to check value for money • Mixing of bulk suppliers and small suppliers will assist in making sure we have a good mix of suppliers • Promote and build working relationships with all suppliers
Pigs and poultry are highly prone to various types of diseases	Very likely	High	<ul style="list-style-type: none"> • Make sure all animals and birds have up to date vaccinations • Qualify all visitors that come to the farm and make sure they had not visited other farms in the last week and handled poultry or pigs. • Put measures to avoid farm to farm spreading of diseases cleaning and disinfection management if we experience one • Monitoring any diseases that are approaching farm area. • Cleaning and Disinfection of the facility from time to time • Educate employees of cleanliness and keeping the facility in good condition • Making sure employees have proper PPE

SWOT ANALYSIS

STRENGTH	WEAKNESS
<ul style="list-style-type: none"> • The farm is run by people who possess the necessary business and agriculture skills • Availability of market • Availability of labor • Capacity to grow and adapt within the industry • Good technical skills • World class breeding 	<ul style="list-style-type: none"> • High feed production cost • Pigs are affected by variety of diseases like African swine fever (ASF) and foot and mouth disease. • Poultry are prone to Coccidiosis, Marek's Disease, Infectious Bursal Disease (Gumboro), Avian Influenza (Bird Flu), Newcastle Disease and other gut diseases. • In adequate availability of quality breed • Climate changes
OPPORTUNITY	THREAT
<ul style="list-style-type: none"> • Increased food and nutrition security • Potential use of alternative feed resources • Employment to local youths • Pork processing and product value addition • Strategic use of pig manure and repurposing of chick waste. • Modernized operating systems • Rising research on pig and poultry diseases control and eradication methods 	<ul style="list-style-type: none"> • Greenhouse gas emission contributes to global climate change • Increasing competition from alternative meat sources like beef • Changes in consumer preference • Religious concerns from the Muslim society • Market fluctuation • Pig feed will take between 40% to 60% of total production cost.

HEALTH Management

Economic factors heavily impact all decisions related to healthcare on farms. Prioritization of health management and disease prevention programs is often influenced by financial considerations, though other vital factors such as animal welfare, food safety, and risk management are also taken into account.

Effective health management is a crucial aspect of ensuring profitability in farming enterprises. Profitability is contingent on maximizing income while minimizing costs. Income is calculated by multiplying the price received per kilogram of meat produced by the total meat yield. Therefore, elements of health management that guarantee optimal reproductive performance, consistent pig and poultry numbers throughout production stages, and rapid growth contribute significantly to maintaining a stable and high income.

Biosecurity

Farm-level biosecurity encompasses the practical measures implemented to prevent the introduction of infections onto the farm and manage the spread of infections within it. The primary objective of a biosecurity program is to prevent the entry of pathogens that the herd or flock has not encountered and to mitigate the impact of existing pathogens. Farm security involves planning and executing a program to minimize different types of risks that could adversely affect the farmstead. Biosecurity and security procedures are interlinked to promote the health and productivity of livestock.

Biosecurity involves implementing practical measures to control the transmission of infectious diseases within a farm, as well as preventing their spread from one farm to another or from external sources like the abattoir. To achieve this objective, we will utilize the Biosecurity Management Plan provided in conjunction with this business plan. Ensuring good biosecurity throughout the entire supply chain is the first line of defense against exotic and emerging diseases, such as African swine fever (ASF), porcine epidemic diarrhea virus (PEDv), Coccidiosis, Marek's Disease, Infectious Bursal Disease (Gumboro), Avian Influenza (Bird Flu), Newcastle Disease and other gut diseases.

The Finances

Start Up Capital

Commencing our business venture, the company envisions an initial investment of approximately \$200,000. Through leveraging its strengths, understanding its primary consumer base, and upholding core values, Boncalo Company Limited aims to achieve a 100% increase in the production and sales of raw pork and poultry products within three years. Additionally, the company aims to enhance gross margins on sales, as well as optimize cash management and working capital.

Funding and Sources of funds

The funds required for the projected working capital will be obtained through a combination of our savings and loans from our banking institution. This business plan charts a course for revitalizing our vision and strategic emphasis on delivering value to our intended market segments, specifically targeting small businesses and high-end local and foreign markets. It additionally outlines a detailed plan for enhancing our sales, gross margin, and overall profitability.

Key Objectives and financial review

- In the initial year, the goal is to sustain the farm and establish a positive cash flow, as it will significantly impact the subsequent two years of business.
- Maintain a robust cash flow throughout the second quarter of the business year.
- Ensure the availability of funds to operate the farm until the first sale.
- Secure funds through avenues such as loans, funding, partnerships, and contributions from partners.
- Achieve substantial profits and expand the farm.
- Enhance productivity by 40% within the first three years.
- Reinvest capital and profits during the 3rd, 4th, and 5th years, leveraging Henderson's law, where gained experience leads to increased process efficiency and cost reduction.

Leveraging the extensive certified farming and engineering experience of director Mihai Boncalo, our aim is to significantly reduce the initial setup costs associated with farm design, architectural planning, automation systems, and enhance overall efficiency through access to and expertise in modern farming practices.

Viability indicators:

a) Net Present Value (NPV)

The Net Present Value (NPV) of a project is determined by discounting the cash net flows for each year over the project's lifespan at a predetermined fixed interest rate, which, in this case, is set at 10%. The calculated Net Present Value for the project stands at approximately \$1,108,095 USD. Given the positive NPV, it signifies the viability of the project and makes it a worthwhile investment opportunity.

b) Internal Rate of Return (IRR)

The Internal Rate of Return (IRR) is the discount rate at which the present value of cash inflows equals the present value of cash outflows, resulting in a zero Net Present Value (NPV). The IRR serves as an indicator of the actual profit rate for the entire investment. Furthermore, it represents the maximum allowable loan interest rate that can be paid without incurring losses for the project. In this project, the calculated IRR is 34.191%. Given that the IRR exceeds the discount rate (also the opportunity rate), it affirms the viability of the project..

Budget of the Project

The project's budget will be sourced from the shareholders' personal savings, external income generated by the main shareholder (including income from external company operations and rents from private properties), as well as external or internal bank loans. A notable advantage of Boncalo Company is its reliance not only on income from farm sales but also on consistent external capital injections, ensuring the establishment of a positive cash flow.

IMPLEMENTATION OF THE PROJECT

Phase A: Preparation (First and Second Quarter)

1. Compile a comprehensive list of materials for importation and initiate the importation process.
2. Recruit skilled workers and prepare the project site for construction.
3. Organize tools, equipment, and necessary documents for seamless project execution.
4. Construct fences and barn facilities to establish a secure and efficient operational environment.
5. Prepare fields, set up drip irrigation, and initiate the planting process.
6. Conduct orientation/training sessions, focusing on operational methods and strategies.

Phase B: Implementation Proper (Third Quarter)

1. Procure broiler chicks/sows and oversee their care and growth.
2. Execute the distribution/marketing plan for pigs and chickens.

Phase C: Terminal Period (Fourth Quarter)

1. Conduct a thorough assessment/evaluation of the project's performance.
2. Plan for the continuity and expansion of the project.

Financial Breakdown of Implementation:

- Preliminary costs already incurred for project initiation: \$145,000 USD
- Fixed costs in the first year: \$89,650 USD
- Operational cost buffer for the first 3 months: \$14,400 USD
- Working capital required in phase A of the implementation period: \$13,000 USD
- Working capital required in the phase B: \$25,800 USD

Total used start funds: 286,250 USD

Total project work capital : 359,300 USD

Total Project Cost: 2,065,000

APPENDIX

NOTE: ALL VALUES ARE IN USD.

APPENDIX 1: CASH FLOW STATEMENT

COST	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Fixed Cost	89,650	0	181,500	291,500	403,500
Preliminary project costs	145,000				
Working Capital	38,800	39,000	76,000	101,500	104,000
Operation cost	57,600	82,800	136,800	154,250	163,100
Total cost per year	331,050	121,800	394,300	547,250	670,600
Total project cost	2,065,000				
Discounting factor	0.9091	0.8264	0.7513	0.6830	0.6209
Discounted Amount	301,067	100,661	296,036	373,860	416,375
Sum	1,589,131				
BENEFIT					
Revenue	262,080	524,160	977,760	1,269,760	2,085,760
Cash flow	-68,970	402,360	583,460	722,510	1,435,160
Discounted revenue	238,254.55	433,190	734,605	867,263	1,295,092
Discounted Cash flow	-68,970	332,528	438,568	493,402	878,717

Discount rate 10%; NPV: ≈\$1,108,095; IRR: 34.191%; B/C ≈2.14;

APPENDIX 2: INCOME STATEMENT

COSTS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Fixed Costs	88,650				
Preliminary project costs	145,000				
Reinvestments			181,500	291,500	403,500
Working capital	38,800	39,000	76,000	101,500	104,000
Operation expenses	57,600	82,800	136,800	154,250	163,100
Total	330,050	121,800	394,300	547,250	670,600
INCOME					
Selling Pork, chicken and byproducts	262,080	524,160	977,760	1,269,760	2,085,760
Sum of gross Income	5,119,520				
Net Income without taxes	-67,970	402,360	583,460	722,510	1,415,160
Sum Net Income (Net Profit)	3,055,520				

APPENDIX 3: PRELIMINARY PROJECT COST (incurred)

UTILITY DESCRIPTION	COST
Site visit and reconnaissance	3,000
Land Purchase	80,000
Preliminary Water survey	2,000
Land clearing	4,000
Legal expenses, taxes and fees	15,000
Market Research	3,000
Farming research and testing	4,000
Bio control methods research	2,000
Environment testing for chicken and pig farming	6,000
Manpower research and analysis	1,000
Toyota Hilux Pickup	15,000
Miscellaneous	10,000
TOTAL	145,000

APPENDIX 4: FIXED COST

Description	Quantity	Price (USD)	Total (USD)
Pig Shed - Half brick wall, CGI roof, concrete slatted floor	2	16,000	32,000
Store Room - Brick wall, CGI roof, concrete floor	1	3,000	3,000
Chicken shed – wood, chicken wire, net, CGI roof	3	5,000	15,000
Broiler hen shed	1	3,000	3,000
Feed preparation machines (milling, mixing, pellet)	1	3,000	3,000
Office building	1	500	500
3T Silo Towers	4	800	3,200
Flexible screw conveyor	2	500	1,000
Water pump set	4	500	2000
Water tanks	5	150	750
1 acre Drip Irrigation systems	5	700	3,500
Rain gun	5	100	500
Diesel generator	1	1,000	1,000
Tractor	1	15,000	15,000
Tractor attachments		6,000	6,000
Workers Protective Gear		200	200
TOTAL			89,650

APPENDIX 5: OPERATIONAL COST

Description	Year 1	Year 2	Year 3	Year 4	Year 5
Utilities	5,000	8,000	13,000	15,000	15,000
Manpower	26,000	44,500	70,500	82,500	86,000
Telephone expenses	1,000	1,000	1,000	1,000	1,000
Stationery expenses	600	1,000	1,100	1,200	1,300
Transport expenses	3,000	6,000	6,100	6,200	6,300
Maintenance	0	1,000	2,500	3,500	6,500
Marketing programs	1,000	5,300	5,500	5,600	5,700
Miscellaneous	4,000	4,000	4,100	5,250	5,300
Land clearing	5,000		20,000	20,000	20,000
Legal expenses, taxes and fees	5,000	5,000	5,000	5,000	5,000
Property Taxes	1000	1000	2000	3000	5000
Biosecurity Measures	3000	3000	3000	3000	3000
Security Systems	2000	2000	2000	2000	2000
Training Expenses	1000	1000	1000	1000	1000
TOTAL	57,600	82,800	136,800	154,250	163,100

APPENDIX 6: MANPOWER COST

Personnel	Quantity	Year 1	Year 2	Year 3	Year 4	Year 5
Farm manager, Head of finance and Logistics.	1	9,000	9,500	10,000	10,500	11,000
Veterinarian.	2	2,000	5,000	10,000	10,000	10,000
Security and housekeeping.	4-8	6000	9000	9000	18000	19000
Farm and animal caretakers.	4-16	8000	17000	35000	35000	37000
Sales agent	1-4	1000	4000	6500	9000	9000
TOTAL		26,000	44,500	70,500	82,500	86,000

APPENDIX 7: WORKING CAPITAL

Description	Quantity	Cost per Unit	Year 1	Year 2	Year 3	Year 4	Year 5
Land clearing	100	100	5,000	10,000	20,000	30,000	40,000
Electrification			3,000		0		3,000
Cost of Gilts	50	400	20,000	20,000	40,000	37,500	
Growing feed	50 acres	5000	5,000	5,000	15,000	30,000	60,000
Vaccinations			2,000	4,000	4,000	10,000	10,000
AI	100	5	1,000	2,000	3,000	6,000	15,000
Broiler chicks	2,000	0.4	4,800	-	-	-	-
TOTAL			38,800	39,000	76,000	101,500	104,000

APPENDIX 8: REINVESTMENT YEAR 3

Description	Quantity	Price	Total
Farrowing Pens for lactating sow- Half brick wall, CGI roof, concrete slatted floor	1	13,000	13,000
Nursery shed	1	13,000	13,000
Fattener Shed - Half brick wall, CGI roof, concrete slatted floor	2	20,000	40,000
Feed preparation machines	2	5,000	10,000
10T Silo Towers	2	2,000	4,000
5T Silo Towers	4	1,000	4,000
10T feed hopper	1	2,000	2,000
Land Purchase	200 acres		30,000
Water pump set	5	500	2,500
Water tanks	4	3,000	12,000
Drip Irrigation	50 acres	700/acre	35,000
Lateral irrigation	1	6,000	6,000
Diesel generator	2	1,000	2,000
10 KW Solar system	1	8,000	8,000
Total			181,500

APPENDIX 9: REINVESTMENT YEAR 4

Description	Quantity	Price	Total
Farrowing Pens for lactating sow- Half brick wall, CGI roof, concrete slatted floor	1	15,000	15,000
Nursery shed	1	15,000	15,000
Fattener Shed - Half brick wall, CGI roof, concrete slatted floor	2	20,000	40,000
10T Silo Towers	2	2,000	4,000
5T Silo Towers	4	1,000	4,000
Land Purchase	300 acres		60,000
Water pump set	5	500	2,500
Water tanks	4	800	32,000
Irrigation		8,000	8,000
Tractor	1	30,000	30,000
Drip Irrigation	50 acres	1,000/acre	35,000
10 KW Solar Panel System	2	8,000	16,000
Meat byproducts building	1	30,000	30,000
Total			291,500

APPENDIX 10: REINVESTMENT YEAR 5

Description	Quantity	Price	Total
Farrowing Pens for lactating sow- Half brick wall, CGI roof, concrete slatted floor	2	20,000	40,000
Nursery shed	2	18,000	36,000
Fattener Shed - Half brick wall, CGI roof, concrete slatted floor	3	40,000	120,000
5T Silo Towers	8	1,000	8,000
20T Silo Towers	2	8,000	16,000
Land Purchase	300 acres		60,000
Water pump set	5	500	2,500
Water tanks	4	800	32,000
Irrigation		8,000	8,000
Drip Irrigation	50 acres	1,000/acre	35,000
10 KW Solar Panel System	2	8,000	16,000
Meat byproducts building	1	30,000	30,000
Total			403,500

APPENDIX 11: DEPRECIATION OF FIXED ASSETS

DEPRECIATION OF FIXED ASSETS BY USING DECLINING ASSETS METHOD				
ASSETS	YEARS			
	YEAR 1	YEAR 2	YEAR 3	
ASSETS				
Initial Value (USD)	89,650	80,685	72,616+181,500	
Depreciation rate	10%	10%	10%	
Annual depreciation	8,805	7,924	7,132	
Remaining balance	80,685	72,616	228,704	
Salvage value				382,005

APPENDIX 12: REVENUES

Description	Unit in a year (kg)	Avg Price/ Kg/	Year 1	Year 2	Year 3	Year 4	Year 5
Pork Meat	42,000/84,000 /168,000/232, 000/454,000	3	126,000	252,000	504,000	696,000	1,362,000
By products of Pork	20,000/50,000	5		-	-	100,000	250,000
Chicken carcass	72,000/144,00 0/288,000	2	100,800	201,600	403,200	403,200	403,200
Broiler chicks	-	0.4	35,280	70,560	70,560	70,560	70,560
TOTAL	370,000	-	262,080	524,160	977,760	1,269,760	2,085,760

ASSUMPTIONS:

1. The pig's market cycle spans approximately 25 to 28 weeks, translating to six to seven months, and they are typically ready for sale at a market weight of 120/130 kg. In the inaugural year, the farm aims to produce a minimum of 500 pigs, escalating to a full production of 1000 pigs ready for sale by the second year.
2. Production will remain consistent during the first and second years to establish a robust market base. In the third and fourth years, there is a planned 100% increase in production, with the fifth year anticipating a production surge to at least five times the initial output.
3. Beginning from the third year of production, approximately 0.25 of the meat produced will be transformed into secondary products such as salami, ham, and sausages.
4. Chicken revenue projections are contingent on the assumption that feed costs will constitute 30% of the total revenue. This estimate is based on field tests and the farm's ability to produce pellet feed internally, resulting in a significant reduction in feed expenses.
5. Starting from the midpoint of the first year, the farm plans to generate its own baby broiler chicks, with the surplus intended for sale. This assumes a hatching success rate of at least 90%, and feed costs are estimated to account for 30% of the baby chick revenue.
6. According to our calculations and industry statistics, the farm anticipates for the beginning, a minimum yield of 210 tons of maize, 120 tons of soybean, and 50 tons of lucerne. In the first year, each pig will consume a maximum of 300 kg of food until reaching slaughter age, totaling 150 tons of food out of the 480 tons the farm aims to produce. These yield projections are based on a 5-acre drip-irrigated corn field and 50 acres of rain gun-irrigated soybean and lucerne. The surplus production is intended for stockpiling, ensuring food security for the farm.