

# **“DEVELOPMENT OF SUSTAINABLE SMALL HOLDER DAIRY FARMING IN HAOR/BASIN AREAS OF BANGLADESH”**



# Vision /Mission

- Help dairy farmers in Haor basin areas to become self-sufficient by helping smallholder farmers (especially women) to be organized, more productive (through veterinary services, agricultural methods and preservation techniques) and get fair prices through a more direct link to the market.





## Business objective

- To arrange uncultivated land of Haor basin as lease in favor of farmers' association for cultivation of high quantities of feed and fodder during dry season; teach proper preservation techniques so that fodder maybe used during monsoon season to feed cattle and generate income.
- Eliminate middlemen and get a more direct link to market in order to provide dairy farmers fair prices for their products.

## What social problem is it addressing?

A lack of income among dairy farmers in the Hoar region during the 6 months monsoon season; a lack of knowledge among farmers concerning fodder preservation techniques during rainy season; absence of link between farmers and milk processors resulting in lower prices paid for dairy; unavailability of cooking fuel in the Hoar area.

## How can it be overcome?

Proper utilization of huge unutilized government land as dairy pasture by cultivating high yielding fodder and feeds. Making link between dairy farmers and milk processors by installing local chilling plant ensuring fair prices for product. Training farmers and involving more women in the dairy farming process by teaching the use of proper techniques to preserve fodder during monsoon season. Use of cow dung as biogas, organic fertilizer and cooking fuel (cow dung cake or stick) in the project area.

# Production Forecast

Item	Unit	2013	2014	2015	2016	2017
<b><u>a) No of Cows:</u></b>						
Farmers Own Cows		250				
Provide to New Cows			250	250	-	-
<b><u>b) Milk Production:</u></b>						
Milk production Qty in Ltr. per day	Ltr.	250	2750	5000	6600	8400
Milk production Qty in Lit. months	Ltr.	7500	82500	150000	198000	252000
Milk production Qty in Lit. Year	Ltr.	45000	1003750	1825000	2409000	3066000

# **Sales and Distribution**

- Collect milk from the 250 farmers as per market price and keep 3 taka commission per litre**
- The milk will be stored in our chilling plant**
- Then it will be sold to the third parties (eg - Milk Vita, Aarong etc) taking 3 taka commission per litre**
- So in total we will keep 6 taka commission per litre.**

## Project Location:

- Haors in areas such as **Sylhet, Mymensingh, Sunamganj, Habiganj, Maulvi Bazar, Kishoreganj** and **Netrokona** districts.
- Market and competitors:
- Conventional business
  - Uncultivated unutilized land with no such business in the area.
  - No chilling plants are present in the region proposed.
- Social business
  - No such social business exists in the region proposed.



# Financial Forecast:

Investment size: 35.04 million.

## Break up of Investment cost:

Sl	Particulars	2013	2014	2015	2016	2017
01	Office Equipment	155,000	85,000	75,000	0	0
02	Project equipment	5,650,000	50,000	50,000	50,000	50,000
03	Vehicles			1,630,000		
04	Training Expenses	187,500	125,000			
05	Loan for Cows		12,500,000	12,500,000		
06	Working Capital	1,812,000				
	<b>Investment Amount</b>	<b>7,804,500</b>	<b>12,885,000</b>	<b>14,255,000</b>	<b>50,000</b>	<b>50,000</b>



# Year wise Income Statement:

Particulars	2013	2014	2015	2016	2017
Job creation	250				
Revenue	270,000	6,022,500	10,950,000	14,454,0000	18,396,000
Expenditure	2,049,583	3,560,833	3,544,542	3,972,496	4,355,745
Net profit/Loss	<b>(1,779,583)</b>	<b>2,461,667</b>	<b>7,405,458</b>	<b>10,481,504</b>	<b>14,040,255</b>

**Break Even point: 2<sup>nd</sup> Years**

**Pay back period: 5.2 years**

# Source of Funds



- Need investors
- Investors will invest the amount
- The company will provide the new cow to all farmers as loan on 50% and rest 50% will provide the farmers from themselves.
- Within 5 years the company will get back his 50% invested amount from the farmers.

# Employment Opportunities

For all farmers interested in receiving training on profitable dairy farming and fodder preservation techniques by the Community-based Dairy Veterinary Foundation (CDVF). Startup with 250 farmers.

# Social Impact

A productive source of income to provide a proper livelihood for dairy farmers and their families in the Hoar region.

