

Homestead Rubber Cultivation



Vision/Mission:

The vision is to make the rural poor self-reliant and solve their day to day cash problem.

Rubber is environmentally friendly, thus will contribute towards sustainable development.

Business Objective

- Create a source of income and empowerment for the poor rural women
- Rubber plants are sustainable at:
 - removing the ubiquitous chemical formaldehyde from the air
 - absorbing carbon dioxide
 - Preventing soil erosion
- Save millions of taka spent on importing rubber

What social problem is it addressing?

- Joblessness and poverty in the rural areas
- Low standard of living for women
- Lack of sustainable development in the country
- Day to day cash problem



How can it be overcome?

Demand for rubber

- There is a huge demand for rubber which is likely to increase over the years
- the project has huge profit potential and socioeconomic benefits/impacts.
- **Employment Opportunity**
 - Job opportunity for 1000 people who will become members of the organization for a small fee of Tk-100. Rubber trees can also be planted and grown in homestead as practiced in Thailand, Myanmar and other countries.
 - The organization will provide all sorts of technical advice, training and material support to the participants regarding plantation, care and maintenance, fertilization, tapping and processing life/

Legality

- Register as per company act.

Source of Fund

- i) Need Investors
- ii) Payback period: 10 years

Project Location

- Tangail, greater Chittagong area, Chittagong hill-tracts, greater Sylhet districts, Dinajpur and Jessore.

Marketing, selling & distribution system

- Products will be centrally collected/ purchased from individual members.
- The purchasers will collect it themselves on a daily basis as per terms and conditions of the contract.
- Rubber has vast demand within the country and abroad so marketing will be done through the existing industries of consumers (Bata, Rupsha, Gazi and also essential drugs company etc)
- The project director as a former government employee has a huge network who will come and purchase natural rubber in the form of latex and RSS (Rubbed smoke sheets)

Market competitors

- BFIDC
- Private Sector Rubber
- Hill tract development board
- Few tea estates

Target customer

- Bata, Rupsha, Gazi and also essential drugs company etc who purchase dry rubber as raw material for production

Future Prospects

- Tea and Coffee can also be grown in the same area without additional staff which will augment the cost of rubber plantation and will be given early production.

Financial Forecast

- Breakeven point **7 years**
- Payback period **10 years**

Projected Financial Forecast						
Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
<u>PRODUCTION COST</u>						
Target Achievement	32,000	32,000	32,000	32,000	32,000	32,000
% of Efficiency	100%	95%	93%	90%	87%	86%
Traget land 1 acre (1 acre=16000)	32,000	30,400	28,800	28,800	27,200	25,600
Production cost (Baby tree)	120	55	45	35	35	35
(Maintenance (Manuring & weeding) per plant)						
Based on 2 acre (2 acre=32,000)	32,000	30,400	29,760	28,800	27,840	27,520
Total Production cost	3,840,000	1,672,000	1,339,200	1,008,000	974,400	963,200
Req. Working capital	3,840,000	1,672,000	1,339,200	1,008,000	974,400	963,200
<u>ALLOCATED MEMBERSHIP</u>						
Allocated members	1000	1000	1000	1000	1000	
Plant distribution each member	32	30	28	28	272	25
Registration fees	100					
Receivable fees	100000	-	-	-	-	

PARTICULARS	Year -1	Year -2	Year -3	Year -4	Year -5	Year -6	Year 7	Year 8	Year 9	Year 10
Production per plant in a year	nil	nil	nil	nil	nil	nil	32,000	32,000	32,000	32,000
Total production in kgs	nil	nil	nil	nil	nil	nil	85%	83%	81%	80%
No of Expected plant							27,200	26,560	25,920	25,600
Exp. Liquid production in kgs p/y							3 kg	3.60 kgs	5.40 kgs	7.20 kgs
Membership Subscription	50000									
Selling price in Kgs							85	90	95	100
Selling parice in Taka							255	324	513	720
Gross Sells in Tk.							5,700,822	7,072,964	10,929,008	15,149,589
Salary & Remunerations							1,665,600	1,736,500	1,820,913	1,909,428
Member commissions							2,280,329	2,829,186	4,371,603	6,059,836
Per /person members com. In year							7,601.10	9,430.62	14,572.01	20,199.45
Per /person members com. In a day							25	31	49	67
Office Rent							180,000	216,000	240,000	264,000
Administrative Expenses							300,000	350,000	350,000	400,000
Office Equipment							250,000	300,000	350,000	400,000
Net profit before tax	1,390,000	608,000	432,000	360,000	340,000	320,000	3,305,222	4,470,464	8,168,095	12,176,161
Net profit after tax @ 37.5%							147,750.0	287125	955506	1470737
NET PROFIT AFTER TAX	1,390,000	608,000	432,000	360,000	340,000	320,000	3,157,472	4,183,339	7,212,589	10,705,424
							877,143	1,354,154	2,840,986	4,645,588

Resource Person

Major Md Murad Ali Khan (retd), ex-director BFIDC

- Experienced in rubber plantation, management, production etc
- Visited other rubber planting countries like Malaysia, Indonesia, Thailand, Myanmar on study tour, international rubber conference and management of rubber and marketing

Dr Ataur Rahman (Phd in tea plantation)

- Professor of BIUBT
- Worked in BFIDC and tea estates and also visited many countries to work on rubber plantation, production and management etc

Mr Karim (worked long time in rubber and tea plantation)