



BASA HONEY PROCESSING SOCIAL BUSINESS

Bangladesh Association for Social Advancement (BASA)



ORGANIZATION'S NAME:

**BANGLADESH ASSOCIATION FOR SOCIAL ADVANCEMENT
(BASA)**

Executive Director & Contact Person:

A. K. M. Shirajul Islam

Organization's Address:

House # 113, Road # 06,
New DOHS, Mohakhali,
Dhaka-1206

Ph: 088-02-9862464, Mob:01711 528281

Email: islambasa@gmail.com

Website: www.basango.org

FOCUS

Primary focus:

- ❑ Production and supply of pure local honey - an indigenous resource
- ❑ Provide locally produced hygienic and scientific honey in home and abroad gradually.

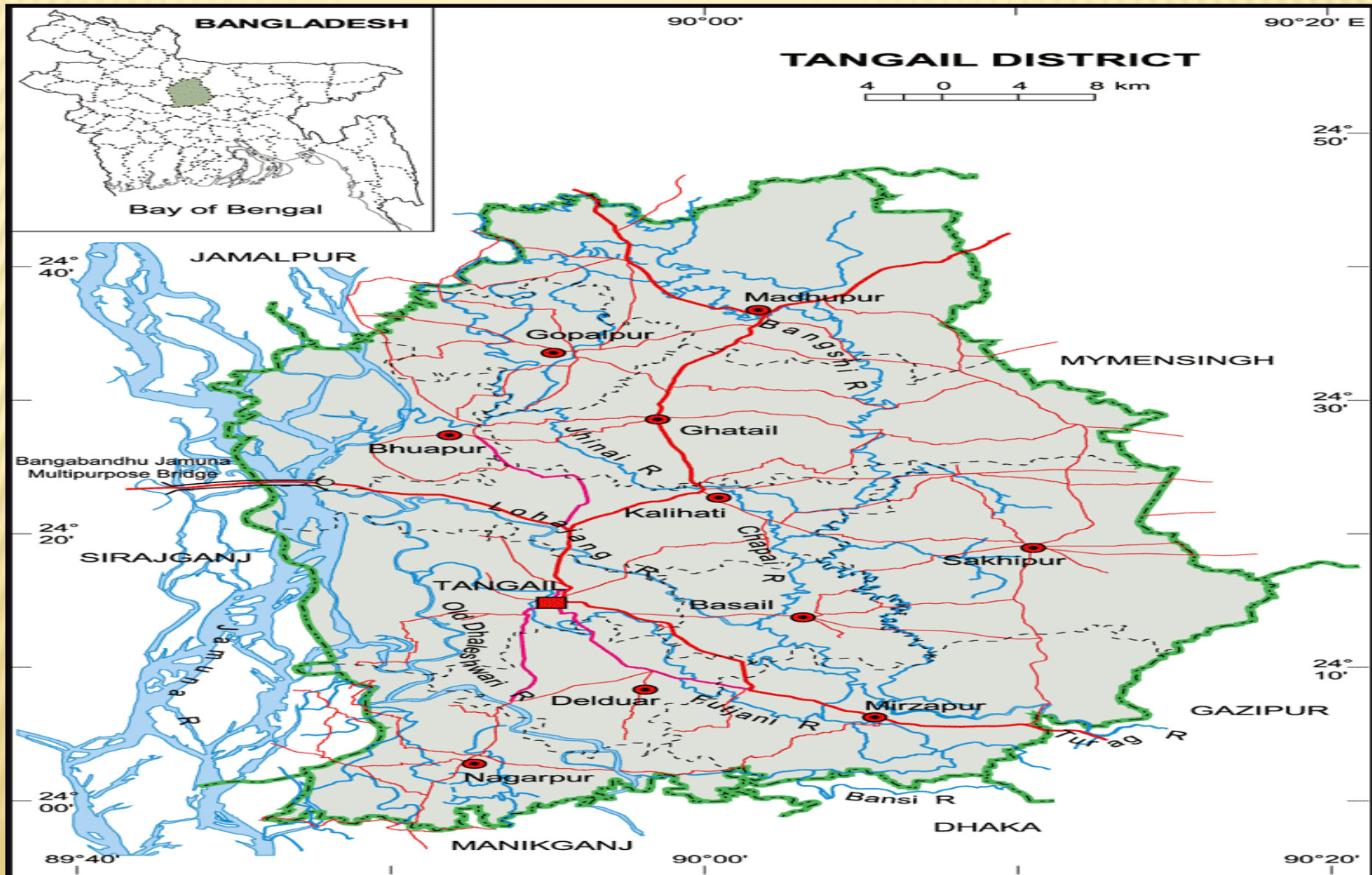
Secondary Focuses:

- ❑ Reduce health problems.
- ❑ Employment generation of marginal community.
- ❑ Bee pollination will help the farmers to get enhanced crops, fruits and vegetable production.
- ❑ Adequate nutrition for human health
- ❑ Reduce import of honey and earn foreign currency
- ❑ Export locally produced honey and earn foreign currency
- ❑ Enrich plant community, environment and bio-diversity

LOCATION

Honey collection for the project from clusters of Tangail, Gazipur, Jamalpur, Sirajgonj and later scaled up all over Bangladesh.

Present Working Areas of Tangail District



Present Working Areas of Gazipur District



Want to Inform !! . .

- This project was operated under the brand name **AADI** from the year of 2006.
- Now we want to convert this in a Social Business.
- It is the only one organization in Bangladesh that is using the **Latest Scientific and Hygienic Technology** for extracting and processing honey.
- We presented this project on 6th Design Lab in 2013. Now, we are presenting the proposal with revised sales, production, collection process, market linkages.

PRODUCTION, DISTRIBUTION AND COSTING (EXISTING & PROPOSED)

Particulars	Existing (Year)	Proposed (Years)
Production	2.5 Ton	3.5 Ton+
Total Sales	Tk. 10.14 lac	Tk. 15.91 lac (1 st)
Distribution/Market	Local	Local & Foreign
Avg. Selling Price	Tk. 350/kg	Tk. 360/kg (1 st)+

COST OF THE PROJECT:

SI No.	Particulars	Existing	Proposed	Total (BDT)
1	Machinery	907,000	100,000	1,007,000
2	Factory Equipment	440,000	540,000	980,000
3	Building	567,000	-	567,000
4	Working Capital	270,000	1,440,000	1,710,000
Total Cost of the Project		2,184,000	2,080,000	4,264,000

Means of Finance

Particulars	Amount	%
BASA's Contribution	2,184,000	51%
Investor's Investment	2,080,000	49%
Total	4,264,000	100%

FINANCIALS – I (INCOME STATEMENTS)

Year	Expenditure (BDT)	Income (BDT)	Net Surplus (BDT)
1st Year	1,587,898	15,43,455	- 52,160
2nd Year	3,405,476	37,66,605	342,296
3rd Year	4,356,553	48,38,585	457,839
4th Year	5,772,783	65,40,343	734,858
5th Year	6,398,672	74,36,209	1,000,356
6th Year	6,776,562	81,15,079	1,297,942
7th Year	7,475,163	88,82,396	1,362,821

BREAK EVEN POINT ANALYSIS IN SECOND YEAR:

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Rev)	39.13%	39.13%
Break Even Point-Sales : (FC/CM)	246,677	2,960,122

BREAK EVEN OF THE PROJECT (PROFITABLE) :

WITHIN SECOND YEAR

INVESTOR'S & PROJECT PAYBACK

Commences from Beginning of 3rd Year of the Project

3rd Year : BDT 1,00,000

4th Year : BDT 2,00,000

5th Year : BDT 4,00,000

6th Year : BDT 5,00,000

7th Year : BDT 8,80,000

Pay Back Period of the Project

Year of Return	Amount	Cumilitive Amount
First Year	75,610	75,610
Second Year	526,491	602,102
Third Year	696,534	1,298,636
Fourth Year	1,004,053	2,302,689
Fifth Year	1,280,644	3,583,333
Sixth Year	1,588,999	5,172,331
Total	5,172,331	

Pay Back Period of the Project

6 Years

Pay Back Period Analysis:

Period	1st Year	2nd Year	3rd Year	4th Year	5th Year	6th Year	7th Year
Pay back amount (Tk.)	-	-	100,000	200,000	400,000	500,000	880,000
Cash in hand available	(52,160)	290,137	647,976	1,182,834	1,783,190	2,581,131	3,063,953

HONEY PROCESSING PLANT OF BASA



POSSIBLE USE OF ADDED EQUITY

- Improving bee-culture and quality honey collection method.
- Awareness campaign on honey (particularly ‘local honey’).
- Awareness campaign on Agricultural and Horticultural Farmers for the impact of Bees and Beekeeping in respect of pollination
- Training of bee-keeping communities.
- Promotion, product development and market development.
- By products : Decorative candle, wax, lip gloss, mini pack honey for children etc.

SWOT ANALYSIS

Strengths	Weaknesses
<ul style="list-style-type: none">• BASA has long experience, technical knowledge, set-up and infra-structure.• Skilled workforce;• Existing and extended bee-keeping communities.• Local honey is cheaper than imported honey• BASA has strong linkage with bee farmers	<ul style="list-style-type: none">• Lack of working capital;• Public awareness regarding local products.• Inadequate scientific knowledge in bee management, quality production etc.• Lack of Farmers and/or Public awareness regarding bee pollination.

SWOT ANALYSIS

Opportunities	Threats
<ul style="list-style-type: none">• 80% demand still untapped	<ul style="list-style-type: none">• Influx of foreign brands
<ul style="list-style-type: none">• Large production potentialities	<ul style="list-style-type: none">• Pest, predators and diseases of bees
<ul style="list-style-type: none">• Long honey flow season	<ul style="list-style-type: none">• Natural calamities during honey flow season
<ul style="list-style-type: none">• Cheap laborer	<ul style="list-style-type: none">• Inadequate marketing .
<ul style="list-style-type: none">• Export of honey	
<ul style="list-style-type: none">• Reduce import of honey	

THANK YOU



ESTIMATED INCOME STATEMENT

Particulars	Last Year		1st Year		2nd Year		3rd Year	
	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly
Sales (Note -4)	84535	1014424	132599	1591191	323592	3883098	415686	4988232
Vat @ 3% (Turnover tax)	2536	30433	3978	47736	9708	116493	12471	149647
Net Sales	81999	983992	128621	1543455	313884	3766605	403215	4838585
Less: Cost of Goods Sold (Note:2)	53114	637363	74611	895328	187273	2247281	224447	2693358
Comtribution Margin (CM)	28886	346629	54011	648128	126610	1519324	178769	2145227
Operating Cost:								
Remuneration & Salaries (Note-05)	8,125	97500	25500	306000	47250	567000	78958	947500
Bee Management, Hygiene & QC Training	-		833	10000	1667	20000	1833	22000
Trade Fair (Cost Sharing)	-		6,250	75,000	10,000	120,000	10,417	125,000
TA/DA	1,736	20,826	2,500	30,000	2,917	35,000	3,333	40,000
Machine Operating Appliance	417	5000	500	6000	500	6000	500	6000
Factory Cleaning & Maintenance	417	5000	500	6000	500	6000	833	10000
Honey Transportation	-		3000	36000	7000	84000	9000	108000
Meeting With Bee Farmers & AGM	833	10000	1250	15000	1500	18000	1667	20000
Label Cost	3,012	36146	1000	12000	2917	35000	4167	50000
Advertising	4,660	55917	1250	15000	1250	15000	1250	15000
Mobile Bill	1,667	20000	2000	24000	2500	30000	2917	35000
Stationery	802	9627	400	4800	500	6000	500	6000
Repairs & Maintenance	518	6220	833	10000	1000	12000	1250	15000
Depreciation	1,710	20520	10648	127770	15350	184195	19891	238695
Miscellaneous Exp.	2,904	34844	1250	15000	1667	20000	2083	25000
Total operating Cost (FC)	26,800	321,600	57,714	692,570	96,516	1,158,195	138,600	1,663,195
Net Profit/ (Loss) before tax	2086	25029	-3704	-44442	30094	361129	40169	482032
Taxation		4920		7717		18833		24193
Net Profit/ (Loss) after tax		20109		-52160		342296		457839
Cumulative Net Profit/(Loss):				-52160		290137		747976

ESTIMATED INCOME STATEMENT (CONT...)

Particulars	4th Year		5th Year		6th Year		7th Year	
	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly	Monthly	Yearly
Sales (Note -4)	561885	6742621	638850	7666194.96	697172	8366060.88	763092	9157109.58
Vat @ 3% (Turnover tax)	16857	202279	19165	229986	20915	250982	22893	274713
Net Sales	545029	6540343	619684	7436209	676257	8115079	740200	8882396
Less: Cost of Goods Sold (Note:2)	321174	3854088	353240	4238879	367408	4408900	388888	4666650
Comtribution Margin (CM)	223855	2686255	266444	3197330	308848	3706179	351312	4215746
Operating Cost:								
Remuneration & Salaries (Note-05)	89875	1078500	106375	1276500	115917	1391000	118083	1417000
Bee Management, Hygiene & QC Training	2083	25000	2500	30000	2917	35000	3333	40000
Trade Fair (Cost Sharing)	12,500	150,000	16,667	200,000	18,750	225,000	20,833	250,000
TA/DA	3,750	45,000	4,167	50,000	4,583	55,000	5,000	60,000
Machine Operating Appliance	500	6000	667	8000	833	10000	1000	12000
Factory Cleaning & Maintenance	833	10000	1000	12000	1000	12000	1000	12000
Honey Transportation	12000	144000	13333	160000	15000	180000	16667	200000
Meeting With Bee Farmers & AGM	1833	22000	2083	25000	2083	25000	2500	30000
Label Cost	5000	60000	6667	80000	7500	90000	8333	100000
Advertising	1250	15000	1667	20000	2083	25000	2083	25000
Mobile Bill	3333	40000	3500	42000	3667	44000	3750	45000
Stationery	500	6000	600	7200	650	7800	750	9000
Repairs & Maintenance	1500	18000	1667	20000	2083	25000	2500	30000
Depreciation	22432	269195	23357	280288	24255	291057	25142	301708
Miscellaneous Exp.	2500	30000	2667	32000	2917	35000	30000	360000
Total operating Cost (FC)	159,891	1,918,695	179,983	2,159,793	197,305	2,367,662	234,043	2,808,513
Net Profit/ (Loss) before tax	63963	767560	86461	1037537	111543	1338517	117269	1407233
Taxation		32702		37181		40575		44412
Net Profit/ (Loss) after tax		734858		1000356		1297942		1362821
Cumulative Net Profit/(Loss):		1482834		2483190		3781131		5143953

STATEMENT OF ESTIMATED CASH FLOWS

<i>Particulars</i>	<i>Year-0</i>	<i>Year-1</i>	<i>Year-2</i>	<i>Year-3</i>	<i>Year-4</i>	<i>Year-5</i>	<i>Year-6</i>	<i>Year-7</i>
Cash Inflow								
Entrepreneur's Contribution (Cash only)	520,000	-	-	-	-	-	-	-
Investor's Investment	2,080,000	-	-	-	-	-	-	-
Non Cash item: Depreciation	-	127,770	184,195	238,695	269,195	280,288	291,057	301,708
Net Profit	-	(52,160)	342,296	457,839	734,858	1,000,356	1,297,942	1,362,821
Cash Inflow Each Year	2,600,000	75,610	526,491	696,534	1,004,053	1,280,644	1,588,999	1,664,529
Opening Balance of Cash Surplus	-	-	75,610	602,102	1,198,636	2,002,689	2,883,333	3,972,331
Total Cash Inflow	2,600,000	75,610	602,102	1,298,636	2,202,689	3,283,333	4,472,331	5,636,861
Cash Outflow								
Machineries, Equipment & Materials	890,000	-	-	-	-	-	-	-
Assets & Working Capital	1,710,000	-	-	-	-	-	-	-
Investment Pay Back	-	-	-	100,000	200,000	400,000	500,000	880,000
Total Cash Outflow	2,600,000	-	-	100,000	200,000	400,000	500,000	880,000
Total Cash Surplus	-	75,610	602,102	1,198,636	2,002,689	2,883,333	3,972,331	4,756,861