

BUSINESS PLAN OF Makasani farming scheme

1 ADMINISTRATION INFORMATION

Full Names :	Baloyi Mbhazima Elias
Trading Name :	Makasani Farming Scheme
Legal status	Sole Proprietor
Province	Limpopo
District Municipality	Mopani
Local municipality	Greater Giyani
Physical address:	Stand no 25B , Giyani, 0826
Postal address:	P.O. Box 2845, Giyani, 0826
Contact person 1:	Baloyi Sevha Jackson
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Contact person 2:	Baloyi Elias
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Main Business Activity: Fresh produce and meat products

2 INTRODUCTION AND BACKGROUND INFORMATION

- Current situation

The business is relatively new, i.e. it has not yet started operating.

- Description of the business

It is a farming business, with its main activities being: cash crops, fresh produce (spinach, cabbage, tomatoes, carrots, beetroots, green pepper), meat (poultry, sheep, goats and cattle).

4 MARKETING PLAN

- *Product description, and unique selling proposition*

- *Target market: local super markets, informal fresh-produce & chicken sellers, schools and hospitals*

- *Market size: supermarkets = 6*

Informal fresh-produce = 10

Informal chicken sellers = 20

Schools = 26

Hospitals = 1

- *Competition: fresh-produce = 2 @ 20 km radius.*

Poultry = 1 @ 30 km radius

- *Action plan to realize objectives: personal visits to target market.*

5 MANUFACTURING or PRODUCT PLAN

Specification of the Product/Service

- *Description of the product: spinach, cabbage, beetroot, carrots, green pepper, poultry.*

- *Raw materials and component parts: fertilizers, day-old-chicks, seeds*

- *Stage of development of the product: fresh produce = 2 months*

Poultry = 8 weeks

Equipment

- *Details on fixed facilities/fixed assets involved in production, store-room, tables, foul-run.*

Manpower Plan

- Staffing Requirements – number and
- Part A: Salaries & wages

Salaries:	Job	Rate/month	period (months)	no of employees	Amount
	- Supervisor	R 2 500,00	12	1	R 30 000,00
	- Driver	R 2 000,00	12	1	R 24 000,00
	- Permanent	R 1 500,00	12	10	R 180 000,00
	- Casual	R 1 500,00	2	10	R 45 000,00
Allowances:	Directors	R 300,00	4	<u>5</u>	<u>R 6 000,00</u>
Totals				<u>27</u>	<u>R 285 000,00</u>

6 FINANCIAL ADMINISTRATION PLAN

- Finance required: R 2 049 820,27 (Total A + Total B on fund utilization)
- How are the farm's financial needs going to be met.
 - Own contribution by members
 - Generated income from sales
 - Farmer's support grant
- Funds utilization

Part A (Capital expenditure)

- Production inputs	(Annexure A)	= R 351 695,43
- Production inputs	(Annexure B)	= <u>R 16 074,00</u>
	(Annexures A + B)	= R 367 769,43
- Tractor + Implements	(Annexure C)	= R 627 441,18
- Borehole	(Annexure D)	= R 128 706,00
- On farm infrastructure	(Annexure E)	= R 254 185,00
- On farm infrastructure	(Annexure F)	= R 54 950,00
- On farm infrastructure	(Annexure G)	= R 17 845,00
- On farm infrastructure	(Annexure H)	= R 37 050,00
- On farm infrastructure	(Annexure I)	= <u>R 7 890,00</u>
	(Annexures E + F + G + H + I)	= R 371 920,00
Sub-total	(Annexures A - I)	=R1 495 836,61
Unforeseen expenditure		+ = <u>149 583,66</u> #
Total A		=R1 645 420,27

unforeseen expenditure:

The attached quotations are valid for a limited period of time, therefore, a possibility exists that by the time the funding is

approved and implemented, prices might have changed. To cater for the price escalation, a 10% increase has been budgeted.

Part B (Operating expenses) = 12 months estimation

- Salaries and wages	R 285 000,00
- Fuel	R 10 000,00
- Repairs and maintenance	R 10 000,00
- Phone	R 6 000,00
- Printing & Stationery	R 2 400,00
- Office equipments	R 20 000,00
- Accounting & bookkeeping	R 18 000,00
- Electricity: Consumption	R 18 000,00
Transformer installation -	<u>R 35 000,00</u>
Total B	R 404 400,00

- The farm is going to sell on cash basis.