

“THE MOBILE DAIRY”

AN INNOVATIVE PROJECT FINANCIAL PROPOSAL AND BUSINESS PLAN





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1. INTRODUCTION

Dairy goat farming in Lesotho holds an immense potential to drive the economic growth and generating of employment amongst the youth; and women and reducing poverty levels and Tsa Rona Social Development Company is looking forward to leverage on these vast opportunities and to play our part in growing Lesotho's economy. Domestic and global demand for goat products is on high demand due to ongoing needs aligned with healthy food production globally, it is worth mentioning that dairy products from goat milk on their own increase sales and consumers most of the time sought healthy goat milk products for their unique taste and health purposes.

A dairy goat farming in Lesotho is a unique project; hence Tsa Rona Social Development Company is very passionate to venture into dairy goat farm breeding and agro-processing trading as **Maphutsaneng Valley Dairy Goat Farming** in a 35 hector flat field located in rural district of Mophale's hoek namely Braakfontein, with a good variety of pasture and clean water suitable for breeding goats. Currently there is a high niche market for goat milk; cheese and exotic products including meat because the current goat farming is mainly for mohair; meat and very limited milk as they are used mainly for family consumption. The market base for milk and cheese in Lesotho can be proudly labelled "**the sky is the limit**" as competition on commercial production on the latter is next to zero to feed a population of two million [2,000 000] people and for export market.

Tsa Rona Social Development is aware that with good funding; qualified management and good marketing of the farm products nationally and internationally the break-even will be at the most three [3] years due to indicators showing high demand for goat products because of their good-quality, nutritious and very affordable for many families. Maphutsaneng Valley Dairy Goat Farming project will be the first commercial venture of goat breeding and agro-processing of goat milk in the Mountain Kingdom of Lesotho.

Lesotho climate, pasture and clean water is good for breeding dairy goats for farming as it is warm in summer and cold in winter with the lowest temperatures of 0° and normally the snow fall is usually in the mountains. Due to good wild range of forage for goats in our farm area and plenty of quality fresh uncontaminated ground water good management in place; we are certain the products from the goat milk and the meat from our farm will fall amongst first A grade quality in the market.

It is worth mentioning that even though we are not currently going to have any competition in regard to dairy goat products in Lesotho we do have competition from cow dairy products. Being a start-up our main competitor on dairy goat products is closely with our giant neighbour South Africa on export market, as per our discussion with Ministry of Agriculture and Food Security we are putting our hope and trust in that as soon as we are established and able to meet demand; they will fully consider our products and protect them from foreign competition by minimizing the imports of what we will be producing.

Tsa Rona Social Development Company will work hand in hand with Ministry of Agriculture and Food Security and Ministry of Trade and Industry for technical support and marketing our products globally and to make sure that our products are professionally labelled and meet international standards. Venturing more into other products needed on the market we will partner with National University of Lesotho under their Innovative Hub Centre and also with the European partner with a vast experience in innovative dairy equipment and high standard dairy product making to train our staff.

The advantage of goat milk is that it is lactose tolerant that is why it is good for infants to adults. It has high nutrition than cow milk and is more tolerable to consume with very limited if not zero side effects unlike cow milk with most people having lactose intolerance. Milk can be consumed from breakfast to supper time and in Lesotho is mainly considered to be good for children and the elderly, commercially goat milk is used mostly in culinary dishes hence the high demand in restaurant for exclusive dishes and desserts because of its quality and benefits.

Even though goat milk is mostly sold in exclusive grocery shops and health shops because of its value, Maphutsaneng Valley Dairy Farm is going to introduce goat milk to be accessible to every person who has a buying power, by introducing it to supermarkets, milk shops and target all government and non- institutions, being hospitals, schools, canteens to use more of the goat milk and our target is to meet demand in three years locally.

Tsa Rona Social Development Company will ensure that what we develop our target customers are involved in the production of our new innovative products as a market assessment in order to make good business decisions and to make sure that the product is known before reaching the market. We will ensure that we hold ourselves accountable to the highest standards by meeting our customers' needs precisely and completely whenever they support our products at all costs. Maphutsaneng Valley Dairy Goat Farm will at all times demonstrate her commitment to sustainability as a farm, by actively participating in our communities and integrating sustainable business practices wherever possible to safeguard the farm.

As long as people still eat it means goat milk products and goat meat will be in demand hence we strive to procure and breed healthy goats and practice good management to come out with A grade products affordable to consumers hence our intention is to work on turn over sales strategy and to make positive publicity for high demand on the products. Dairy goat farming and agro- processing of goat milk is indeed a profitable business to fund and invest in, especially when located in an animal and business friendly place, the break-even is estimated to be less than three years basing ourselves on the market analysis.

Tsa Rona Social Development Company is looking for funding from investors for a business start-up in a tune of **two hundred and forty-one thousand and twenty euro** [€241,020.00] for procurement of: - [i] a state of the art, innovative high quality self-sufficient mobile dairy farm without energy cost; [ii] Hundred [100] Does and five [5] Bucks = hundred

and five [105] different dairy goat breeds between the age of **12-24 months** either pregnant or ready to milk; [iii] a goat shed; [iv] feeding stall; [vi] grade A feed; [vi] medicine/vaccines, [vii] boosters; [viii] Borehole drilling of water with tanks; [viii] fencing [x] solar lights and [xi] administration costs, a detailed breakdown with sales forecast will be stipulated on page 9 to 10 of the business plan.

1.1 Executive Summary

Tsa Rona Social Development Company is a fully registered company under Lesotho law, which amongst its business ventures has realised a positive gap market in agriculture venture on dairy goat farming and agro-processing of goat milk to make the most needed products yet scarce in the market around the country and globally. Goat milk is more nutritious and delicious than cow milk and in Lesotho there is **NO** commercial goat milk farm and dairy to process goat milk products, which makes it a worthy business to invest in as it has a potential of growth within a short period of time, due to the fact that there are multi benefits on goats which can be sold in the market being from its dropping, selling of its kids, including its tender lean meat and hides.

Tsa Rona Social Development is also willing to open its doors by offering 35% of its shares to interested investors who want to venture into dairy goat breeding and milk production farming in Africa to buy shares at a minimum of Six Thousand Three Hundred Euro [€6300.00] a share or an investor willing to buy a whole pie of 35% of the shares as a whole being an active partner or a sleeping partner. Dividends will be paid after three years of the start of the project production on annual basis on the agreed percentage for a period of fifteen years or otherwise agreed upon by the two parties, Tsa Rona Social Development Company strongly believe that goat breeding and agro-processing is ideal nowadays as people around the world are becoming very aware of good benefits of goat milk due to its nutritional component and besides it is a good business with a potential of high growth with less disadvantages.

1.2 New Opportunity

Tsa Rona Social Development Company; realise that in Lesotho most small scale farmers are into dairy cow farming and meat production as currently there are NO commercial dairy cow farmers. Commercial goat milk and processing has a very high demand locally and globally as mentioned before due to its nutritious milk and lean and organic tasty meat; people are now realising the benefit of eating exotic goat products especially cheese as a healthy commodity and the cosmetics based with goat milk for their benefits on the people's skin that is why there is still a high demand on goat products worldwide.

Goats are very easy to raise for organic products which the price is quite competitive, live goats are not only in demand for spiritual and traditional ceremonies but also as pets; so selling them alive is another market, including its droppings if professionally packaged and treated can be sold as organic fertilizers. A goat farm can easily make



passive income in many ways, for encouraging people to visit the farm to see and play with the goats [agritourist], farm brunch/braai and farm cheese making tour and events, eg Birthdays, weddings, cheese and wine etc.

Tsa Rona Social Development Company through Maphutsaneng Valley Dairy Goat Farm due to the opportunity of the market globally; we are going to make sure that our goats eat only organic feeding to penetrate the market with that trade mark category; investing with Tsa Rona Social Development Company; you will not be only making a lot of investment returns; but you will be taking part in the alleviation of both rural and urban poverty in Lesotho amongst youth and women, as our products will create employment on and off the farm.

Tsa Rona Social Development Company intends to employ around 14+- local youth and women to meant both the dairy goats and the dairy production. We are going to feel most of the post with people with agriculture background, and a qualified experienced vet which will be on contractual call, a full time farm promoter and marketer.

1.3 Mission

Maphutsaneng Valley Dairy Goat Farm's mission is to run and manage an organic, hygienic dairy goat farm; to breed healthy dairy goats; to satisfy Lesotho and global market by producing quality first A+ grade products at a competitive price. To win consumers trust, strive to be professional at all time.

1.4 Vision

Our vision is to become one of the best first class leading commercial dairy goat farm breeding and processer in Lesotho and our brand being recognized globally. We intend to see Maphutsaneng Valley Dairy Goat Farming as a recognised breeder of quality and affordable healthy dairy goats and quality goat milk products in Lesotho and beyond.

1.5 Goal

To be the best quality producer of goat products of all forms and be a professional commercial dairy goat farm in Lesotho and beyond.

2. OUR BUSINESS STRUCTURE

Maphutsaneng Valley Dairy Goat Farm has a ten [35] hector flat land in Braakfontein village in Mohale's hoek enclosed next to a mountain and Maphutsaneng river, it is a suitable place for starting a dairy goat farm and dairy products as there is a lot of wild forage and clean water. Tsa Rona Social Development Company Management is already negotiating with a chief to lease to the company more twenty hector fields to plough feed and vegetables to be goats feeds in order to cut feed costs especially during dry season and to make sure that our goats eat fresh feeding.

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As a matter of fact, profit-sharing arrangement of not more than 5% of the pie will be made available to all our senior management staff and it will be based on their performance for a period of ten years or more in order to give the farm management stability. In view of that, we have decided to hire qualified and competent hands on technocrats being by profession, experience or through training to occupy the following positions: -

2.1 Key Personnel Duties and Responsibility.

[a]. CEO- Report to Board of Directors/Investors

ROLE:

- ⇒ Overall seer of the project Mission and Vision.
- ⇒ To make sure farm policies and plans are implemented accordingly by Management.
- ⇒ Make sure the Labour law are adhered to all the time by Management.
- ⇒ To make sure that the audit of the company is done on time and professionally
- ⇒ Maintain up-to-date financial and other records and report to Investors on quarterly basis
- ⇒ Hold weekly, monthly, and annual staff meetings.
- ⇒ Hold annual progress meeting with Investors visually or personally
- ⇒ Contribute to team meetings where outcomes and business direction are decided.
- ⇒ Overall contribution of daily running of farm.

[b] Farm Administrator/Accountant/HR – Report to CEO

Role

- ≡ Record Keeping [Herd Health; Production; Reproduction inventories]
- ≡ Monthly inventories [Stock taking and report to Management]
- ≡ Keep Accounts, by Checking on the money made and spent by the farm.
- ≡ Monitor and Control, budgets, and cash flows.
- ≡ Payroll
- ≡ Order supplies according to Farm Procurement Policy
- ≡ Narrate Audit report presented by auditors to Management.
- ≡ Work hand in hand with auditors and report to CEO.
- ≡ Discuss needs and problems with sales and service representatives
- ≡ Personnel evaluation
- ≡ Personnel recruitment and training in consultation with Farm Manager and CEO.
- ≡ Take minutes in Management meetings and supervising staff under him/her.
- ≡ Contribute to team meetings where outcomes and business direction are decided.
- ≡ Overall contribution of daily running of the farm.

[c]. Farm Manager – Report to Company CEO

ROLE

- ≈ Plan, organise and manage goat farm activities, production, equipment, supplies and supplies and personnel.
- ≈ Draw an impact plan for the growth of the farm.
- ≈ Ensure safe working environment, humane treatment of animals and environmentally responsible production methods.
- ≈ To make sure farm policies and plans are implemented.
- ≈ Inspect equipment and farm structure to ensure proper functioning and coordinate repairs and maintenance with the maintenance team.
- ≈ Supervise, monitor, develop and train employees.
- ≈ Maintain up-to-date farm plan and other records and report to CEO.
- ≈ Liaise with Administrator to check if bills are paid on time.
- ≈ Support all staff and see to it that all duties are done accordingly.
- ≈ Draw monthly working plan for staff and assist them to reach their goals on time.
- ≈ Motivate Farm Management at all time and staff.
- ≈ Create a healthy working atmosphere for all staff and motivate them to work hard.
- ≈ Give full support on daily basis to Dairy Manager and Horticulture Manager
- ≈ Contribute to team meetings where outcomes and business direction are decided.
- ≈ Overall contribution of daily running of farm

[d]. Dairy Farm Manager – Reports to Farm Manager

Role

- ⇒ Feed goats; administer medication and see to it that goat waste is cleaned all the time.
- ⇒ Liaise with milkers how to Operate milking equipment to milk goats
- ⇒ Ensure that all farming and milking equipment is properly maintained.
- ⇒ Work with veterinary to provide health management, treatment and routine vaccination.
- ⇒ Consult with animal nutritionist and livestock feed sales representative to create feeding plans that yield maximum milk production levels.
- ⇒ Do Pasture Management and make sure the fencing is in order and maintain when there is a need.
- ⇒ Feed animals three times a day in timely manner and provide clean water daily.
- ⇒ Ensure all organic procedure are followed.
- ⇒ Assist in birthing and cleaning of the area and make sure the kids are warm when it is cold or raining.
- ⇒ Make sure the barns and lots are clean all the time.
- ⇒ Take any necessary feed or forage samples for nutrient testing as required by Farm manager.
- ⇒ Make sure all equipment and tools are maintained and kept in the orderly manner.

- ⇒ Treat sick animals and administer appropriate prescription drugs only when told by the Farm Manager.
- ⇒ Perform routine vaccinations under supervision of the Farm Manager.
- ⇒ Assist in any special projects or routine maintenance of farmstead in coordination with the Farm Manager.
- ⇒ Supervise staff under Him/Her.
- ⇒ Contribute to team meetings where outcomes and business direction are decided.
- ⇒ Overall contribution of daily running of farm.

[e] Production Manager – Reports to Farm Manager

- ❖ Leads the dairy production to ensure that quality products to assure highest quality finished products that meet company and customers.
- ❖ Actively leads the processes for performance management; employee development and engagement and discuss with Farm Manager
- ❖ Builds fosters strong working relationships, collaborative teams and a positive work environment.
- ❖ Implement farm and plant policies fairly and consistently.
- ❖ Leads the Cheese and other products production process to assure the highest quality finished products that meet company and plant customer specifications and government regulation.
- ❖ Assure that quality products are provided at the least possible cost by leasing with financial controller on weekly basis.
- ❖ Maintains high productivity and cost effectiveness through accurate scheduling production operations, maintenance and workforce.
- ❖ Develop menu items and recipes for a variety of goat milk products
- ❖ Recommend to HR to hire orient and train technical and non- technical staff for your department.
- ❖ Contribute to team meetings where outcomes and business direction are decided.
- ❖ Overall contribution of daily running of the farm.

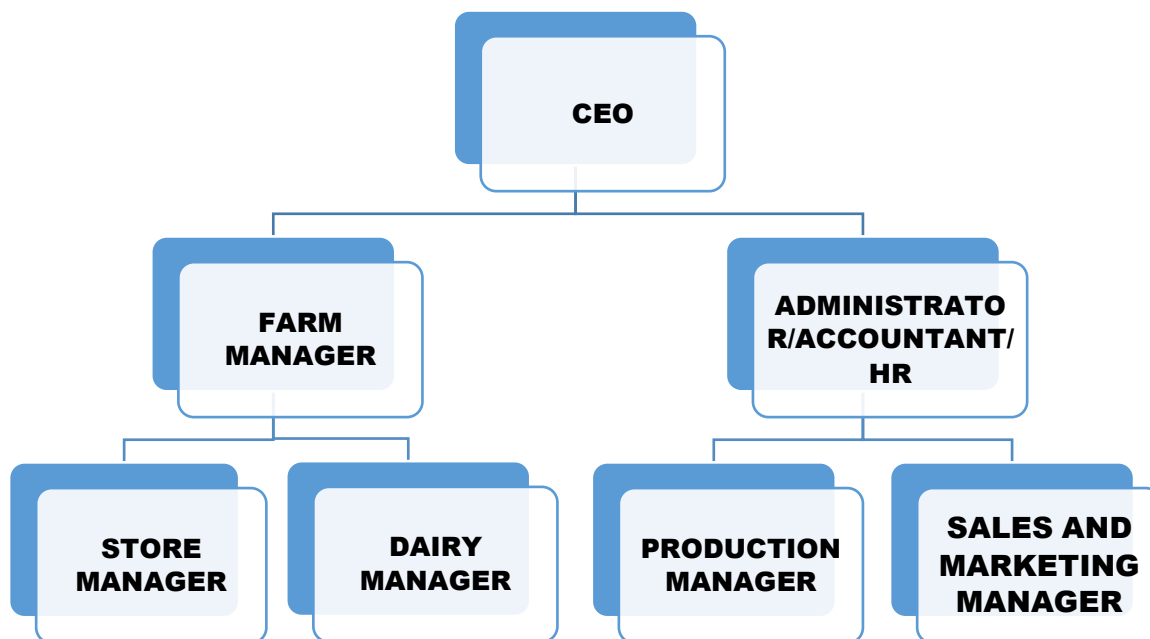
[f.] Marketing and Sales Manager Reports to Farm Administrator

Role

- Interview hire and train part-time marketers and sales people.
- Establish marketing goals based on past performance and market forecasts.
- Oversee current offerings and come up with initiatives for new products or services.
- Research and analyse market trends, demographics, pricing schedules competitor products, and other relevant information to form marketing strategies in order to increase our sales.
- Work with marketing staff to develop detailed marketing plans for all media channels and sales teams.

- Together with Head Manager approve and oversee the creative development of promotional materials; website content; social media content; advertisements and other services to help marketing projects to fruition
- Provide in-depth information to interested clients and acts as a representative for the marketing department in important buying meetings.
- Work within the budget to develop cost-effective marketing plans for each product.
- Compile all monthly marketing and sales data and write a detailed report and submit to Head Manager.
- Conduct quarterly research on customer needs and satisfaction of our service and products
- Conduct and develop market campaigns to familiarise our products on weekly basis.
- Supervising staff under him/her

2.2 Key Personnel Chart



3. SWOT ANALYSIS

We are quite aware that there are already several established dairy goat farms in South Africa, though not in a nearby province but they are able to get a stake in the Lesotho market and which is why we are following the due process of establishing a business in Lesotho in order to dominate local and international market. We know that if a proper SWOT analysis is conducted for our business, we will be able to position our business to maximise our strength, leverage on the opportunities that will be available to us by attending farmers trade shows and business networks nationally and internationally, mitigate our risks and be equipped to confront our threats.

Maphutsaneng Valley Dairy Goat Farm, will cut cost by engaging fully with government agriculture consultants on the ground to help us conduct a thorough SWOT analysis and help create a business model that will help achieve our business mission, vision and goal.

3.1 Strength:

Maphutsaneng Valley Dairy Goat Farm has access to fresh clean ground water and plenty of forage; the road to the farm is 5 km off the main road and it is perfect smooth gravel road therefore we are easily accessible. Situated in the middle of two main towns being Mafeteng and Quthing we are already having access to dominate the market of the three

districts with an average population of 200,000 per district even before we can access the capital city Maseru and other districts. Being the first commercial dairy goat with a dairy processing equipment in Lesotho; Maphutsaneng Valley Dairy Goat Farm will be able to dominate the local market by being professional and positioning its brand well from the start with affordable prices and partnering with other small dairy goat farmers around our area.

Our location is in rural Lesotho, besides being next to friendly villagers the posture is also full of healthy wild forage; there is no any kind of pollution but fresh air from the mountain and the valley, which an assurance and strength in offering unique organic first grade products. The business model will be operating or rather will focus mainly on selling in bulk orders to reach the market fast; limited products for walk insns will be available in our shop to give customers an opportunity taste our products during farm and production site tours on appointment.

We are going to use solar equipment and ground water, even though it looks like an expensive project for a start; but long term benefits will reflect in our pricing as we will be paying maintenance only for the smooth operation of the equipment of annual basis.

3.2 Weakness:

A major weakness is that dairy goat farming is currently a niche industry that is less known or we can say less ventured into commercially in Lesotho, but again it does not mean it is necessarily less effective or completely unknown.

3.3 Opportunities:

Goat milk is seen as a popular alternative for the nutrition of babies allergic to cow milk and for various therapeutic uses. Goat milk is also, of course sought after for the production of up-market cheeses and powder milk. Goat products are becoming more popular day by day; the milk and meat has a huge domestic demand and goat is one of their choices because of the nutritional and affordability and very healthy. Commercial goat farming is a good investment because of high demand of goat products with potential growth and of guaranteed good economic returns of their total initial investment.

Goats produce 2 – 4 kids more than once a year, so a few goats are able to grow business fast within short period of time and diseases and other risks are minimum, hence it is good commercial business with good returns of investment ratio. Ministry of Trade and Industry will see our brand as unique to export as we will be having no product competition or a look alike product to represent Lesotho in World Trade Fares. This will give our products to walk high in the market of Lesotho.

3.4 Threat:

Just like any other business, one of the major threats that we are likely going to face is economic recession. It is a fact that economic recession affects purchasing/spending power especially now during COVID-19. Another threat that may likely confront us is instability of pricing from competitors; lack of support from buyers preferring to buy outside the country and unfavourable government policies may also pose a threat for our businesses especially if they do not encourage major supermarkets to buy locally.

4. MARKET ANALYSIS

4.1 Market Trends

If you are conversant with how people are cautious of their health nowadays, it is to understand why goat products will easily be marketable. The changes in disposable income, consumer sentiment, and ever –changing trends are major growth drivers for sales in products considered healthy organic foods. No doubt, a massive rise in consumer confidence, especially in demanding new health food due to rife virus and terminal sicknesses, people want to boost their immune system in a serious way. Goat products being dairy or meat will be considered very highly by consumers due to their organic stature, good minerals and for being super good for boosting immune system for the whole family, through our advertising it will make a remarkable sales growth on our part.

4.2 Market Strategy

As part of marketing strategies Maphutsaneng Valley Dairy Goat Farm will do indoor promotion in supermarkets where customers will be able to taste our products, distribute pamphlets about the products and do product humper competitions. Sponsoring of education activities and sports will be part of our marketing strategy to reach different target groups, bill boards will be positioned in all major towns of ten districts and farm expos for potential bulk buyers' customers will be held quarterly at the farm. We will have a blog/Facebook page and all social media platforms and hold radio talk shows where we will talk about the benefits of goat milk products, including creating television adverts.

4.3 Target Market

Perhaps it will be safe to submit that Maphutsaneng Valley Dairy Goat Farm has one of the largest range of customers, especially from health conscious people who want to explore new products and parents who want their children to eat healthy and perform well at school.

We are in business to sell to the following groups and businesses though not limited to: -

- ✚ Wholesalers
- ✚ Supermarkets
- ✚ Hotels/Restaurants
- ✚ Hospitals
- ✚ Schools
- ✚ Institutions of High Learning
- ✚ Sports Teams

4.4 Marketing Mix

Tsa Rona Social Development Company is aware of the stiff competition especially from our neighbour South Africa who are already in advance stage in goat products and breeding and Tsa Rona Social Development Company is prepared to compete favourably with them. Our strength is taking into account of their problem with their unreliable electricity, lack of water and Lesotho boarder logistics.

One thing is certain, we will explore all government benefits especially in regard to food export globally under **AGOA** agreement. It will be difficult for customers to visit store and not recognise our products, Intensive research on forage our goats will eat to human benefits will be done and recorded to tell customers why our products are unique.

Lastly, our employees will be well taken care of and their welfare package will be among the best within our category meaning that they will be more than willing to build the business with us and help drive our mission, vision and goal. We will also give good working conditions and commissions to young freelance sales agents that we will recruit from time to time and offer our permanent staff a comfortable accommodation on the farm on the basis of their duties.

5. SALES AND MARKETING STRATEGY

5.1 Sources of Income

We are in the industry to maximize profits and we are going to ensure that we achieve our business mission and value. Maphutsaneng Valley Dairy Goat Farm will generate income by offering the following products but not limited to: -

- ✚ Milk
- ✚ Cheese
- ✚ Yogurt
- ✚ Ice Cream
- ✚ butter
- ✚ Meat
- ✚ Cosmetics [soap and body lotions]
- ✚ Breeding
- ✚ Live goats
- ✚ Organic Manure
- ✚ Farm Tours
- ✚ Farm Events

5.2 Sales Forecast

One thing is certain when it comes to dairy farming, we will make sure we partner with a reputable breeder because if you have a good breed from the start and good dairy plant for agro-processing, and producing quality products together with professional customer service from our staff we will always attract customers and sales that will translate to increase in revenue generation for the business.

We are well positioned to take on the available market in Lesotho and Globally and we are quite optimistic that we will meet our set target of generating enough income, basing ourselves on the cheese projections only for the purpose of this business plan.

5.3 Sales Forecast Illustration

The sales forecast will be based on the initial dairy products being fresh milk and cheese from 100 dairy goats.

PLEASE NOTE THE CURRENCY CONVENTION IS PACKED AT **R15.00/EURO**

PRODUCTS	NARRATION	INCOME €	INCOME MALOTI
CHEESE	<p>One goat can produce a minimum of 2 litres a day.</p> <p>1 goat x 2 litres x 300 days of its lactation period = 600 litres.</p> <p>100 goats' x 600 litres = 60,000 litres in 300 days.</p> <p>Therefore: -</p> <p>60,000 litres of milk –.</p> <p>60,000 litres x 30% kg = 18,000kg of cheese per annum.</p> <p>18,000kg x €40 =</p>	720,000.00	10,800,000.00
TOTAL		720,000.00	10,800,000.00

9. START –UP EXPENDITURE - BUDGET

These are the key areas where we will spend our start-up capital on: -

DESCRIPTION	AMOUNT €	AMOUNT MALOTI
• 1 x complete Mobile Dairy	108 000.00	1 620 000.00
• 1 x Farm house Shop	3 500.00	52,500.00
• Procurement of 100 dairy goats and 5 bucks 50 x Anglo-Nubian; 25 x La Mancha; 25 x Saanen and 5 bucks	10,033.00	150,500.00
• Goat Shelter and milking area. Goat shelter with removable structure and cover width 9.15m, length 12.00 m	8 500.00	127,500.00
• Farm barn for feed	1 500.00	22 500.00
• 2 x Solar Street Sensor Lights with 2 meter poles	1,200.00	18,000.00
• Drilling of bore-hole with 5000 litre tank and stand.	37,000.00	550,000.00
• Annual Feed for 105 goats;	775.00	11,625.00
• Medicine for 105 goats	320.00	4 800.00
• Minerals and boosters 105 goats	450.00	6,750.00
• Fencing and Gates	11 241.00	168 615.00
• Products Packaging	2000.00	30 000.00

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ADMINISTRATION		
Admin Block	16 000.00	240 000.00
5 x staff members' salaries	22 101.00	313 515.00
Communication	1 200.00	18 000.00
Stationery	500.00	7 500.00
Marketing and Promotion	5 000.00	75 000.00
• Building Works and Installation Labour	1 700.00	25 000.00
• Transport from Italy to Maphutsaneng inclusive of Customs Duty	10 000.00	150 000.00
TOTAL BUDGET	241 020.00	3,615,300.00

10. CASH FLOW PROJECTIONS

Tsa Rona Social Development Company have been able to examine market, we have analysed our chances in the industry and we have been able to come up with the following sales forecast.

Below are the sales projections for Maphutsaneng Valley Dairy Goat Farming, it is based on the location of our business and other factors as relating to start-ups in Lesotho.

SALES PROJECTION ANALYSES

10.1 Cash Flow Forecast for the first year.

Cash inflow forecast: -	€	R
Loan	242 020.00	3,630,300.00
Revenue Income [Sales]		720,000.00
10,800,000.00		

TOTAL INFLOW	962,020.00	14,430,300.00
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10.2 Less Cash Outflow Forecast:

[i] Inventory/Stock

Procurement of 100 does and 5bucks	10 033.00	150 500.00
Farm Asset		
❖ Mobile Dairy		
❖ Farm Shop		
❖ Farm Feed Ban	171,154.00	2 909 616.00
❖ Goat Shelter		

❖ Fencing & Gates ❖ Water Drilling; ❖ Solar Lights ❖ Admin Block		
	181,187.00	3 060 116.00

[ii] Operations

Farm Feed	1 545.00	26 265.00
Marketing; Promotion and packaging	4 500.00	76 500.00
Operation cost	8 950.00	152 150.00
	14 995.00	254 915.00

[iii] Administration:

❖ Salaries ❖ Communication ❖ Stationery ❖ Marketing	26801.00	455 167 00
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[iv] Miscellaneous:

Transport: Building and installation	11 5 00.00	195 500.00
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[v] Loan Payment: [Narration: Loan re-payment will start after one year of the starting date of the project.

[15% annual interest x € 242, 020 + € 36 303 = € 278,323/ 120 months]

€ M

2320.00 34,800.00

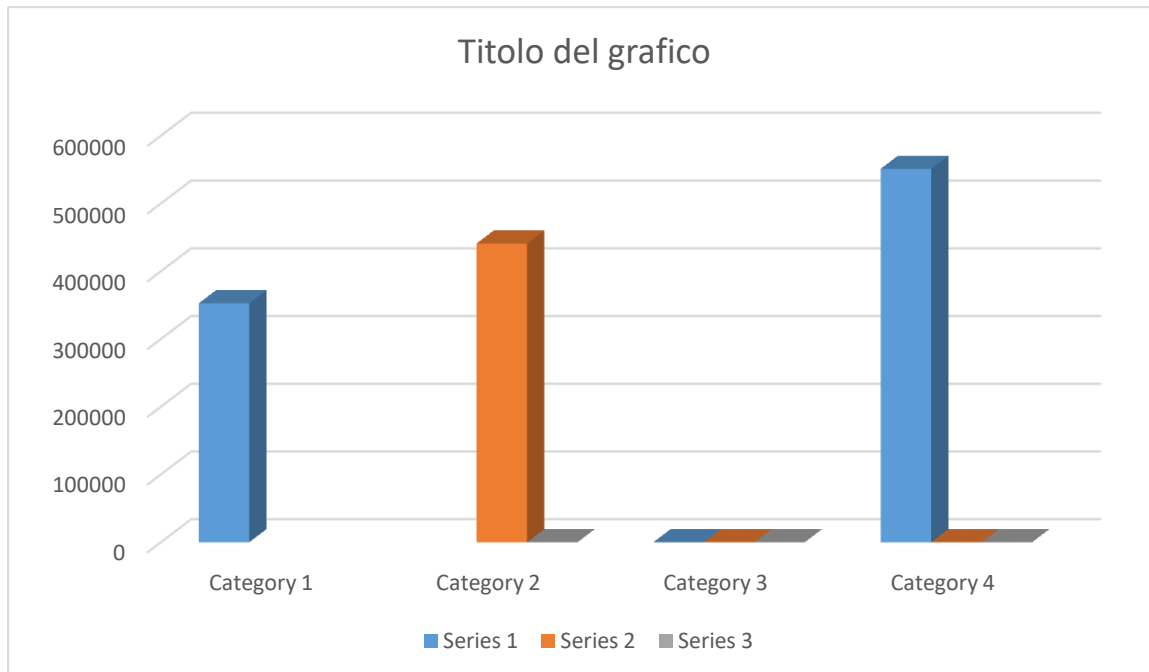
Total outflow	278,323.00	4,174,845.00
CASH BALANCE AS AT THE END OF YEAR 1	471,677.00	7,075,155.00

9 Three Year Sales Forecast

The three year forecast is calculated with a profit margin of 25% annually

FINANCIAL YEAR	AMOUNT	AMOUNT IN
	€	RANDS
YEAR 1	471,677.00	7,075,155.00
YEAR 2	589,596.25	8,843,943.75
YEAR 3	736,996.25	132,659,156.25

9.1 Three Year Sales Forecast Chart



NB: This projection was done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown. Please note that the above projection might be lower and at the same time it might be higher.

11. MARKETING AND SALES STRATEGY

11.1.1 Marketing

Our marketing strategy will be based on our professionally different packaging sizes of our dairy products according to our target market to make sure that our products are being sold without hassle. Brand production awareness and education on nutrition benefits will be part of our marketing strategy; taste and freshness including professional service will be a package on when marketing through all the channels to win customers.

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11.1.2 Sales

To come up with the dairy goat farm, we conducted a thorough market survey in order for us to be able to penetrate the available market and become the preferred choice of dairy

products. We have detailed information and we will be able to utilise to structure on our business to attract the number of customers as we are aware that the customers mainly want a well-positioned health brand with good pricing.

11. SALES and MARKETING SUMMARY

In summary, Maphutsaneng Valley Dairy Goat Farm will adopt the following sales and marketing approach to win customers over: -

- Launch the business indoor and outdoor targeting both bulk buyers and consumers.
- Introduce our products to our target bulk buyer by sending in emails/letters with pamphlets.
- Ensure that we have a range of good quality, reasonable priced products.
- Position our signage / flexi banners at strategic places to the farm and during promotion.
- Create a loyalty plan that will enable us reward our regular customer
- Advertise on local newspapers, radio talk shows and social media.
- Leverage on the internet to promote our business locally and internationally.
- Engage in direct marketing and sales personnel.
- Encourage the use of word of mouth marketing.
- Join local chambers of commerce and industries, Farmers Associations and cooperatives to network and market our products.
- Distributing of well informative flyers and products in ten districts.

12. PRICING STRATEGY

Besides quality; pricing is one the key factors that gives leverage to our dairy products, it is normal for customers to go to places where they can get quality readily available products at a reasonable price.

To bit competition Maphutsaneng Valley Dairy Goat Farm will ensure that the prices and quality of all the products in the farm store are competitive with what is obtainable amongst our competitors being nationally or globally, especially the good taste of our products will say it all. Our intention is to work on turnover strategy rather than exorbitant mark-up especially looking at the current financial constraints due to COVID-19.

13. PAYMENT POLICY

The payment policy adopted by Maphutsaneng Valley Dairy Goat Farm will be all inclusive because we are quite aware that different customers prefer different payment options as it suits our customers; but at the same time, we will ensure that we abide by

the financial rules and regulation of Central Bank of Lesotho and Lesotho Revenue Authority.

13.1 Payment Options

Here are the payment options that Maphutsaneng Valley Dairy Goat Farm will make available to her clients: -

- Payment via bank transfer/speed point
- Payment with cash
- Payment via credit/debit cards
- Payment via mobile money transfer

In view of the above, we have chosen banking platforms and mobile money transfer platforms that will enable our clients make payment for the purchase of their bulk stock without any stress on their part. Our bank account numbers will be made available on our quotations, invoices especially for our credit customers to enable us to do prompt delivery of the orders within the stipulated time.

Tsa Rona Social Development Company on behalf of Maphutsaneng Valley Dairy Goat Farm estimate an amount of Two Hundred Forty-One Thousand Euro [**€241 020.00**] to successfully set-up a dairy goat farm in a District of Mhalehoek in Braakfontein.

14. START-UP CAPITAL

Tsa Rona Social Development Company on behalf of Maphutsaneng Valley Dairy Goat Farm Project is looking for a start-up finance from investors willing to take an opportunity to invest in Africa by means of a loan; lending or any other legal means to fund the project.

15. SUSTAINABILITY STRATEGY

Part of the plan we have in place to sustain Maphutsaneng Valley Dairy Goat Farm is to ensure that we continue to offer quality organic products and make available a wide range of quality dairy products with presentable packaging as per customer's request at a wholesale price. We are not going to relent in providing conducive environment for our workers and also the required trainings locally and internationally we have already partnered with European company to service the dairy and train our staff on exotic dairy products in order to guide us deliver excellent services at all times. Maphutsaneng Dairy goat will organise on weekly farm tours packaging both schools and institutions, monthly braai for our potential buyers will also be organized to generate income, we will attend agriculture market or if possible organise it and partner with relevant stake holders. By so doing we will be marketing our products and at the same time sustaining the project by getting an income.

16. FINANCIAL LEAKAGE

From our findings, another factor that kills new businesses within five years is financial leakages. In order to plug financial leakages, the management of Maphutsaneng Valley Dairy Goat Farm will adopt the use of payment machine and accounting software to run the farm business, bulk buyers will pay directly to the business account, daily takings will

be checked by all relevant managers and be deposited accordingly, monthly stock takings and annual external audits will be on going.

17. EXPANSION STRATEGY

Maphutsaneng Valley Dairy Goat Farm are quite aware that our customers are key part to the growth and survival of our business hence we are going to continuously engage them to give us ideas on how to serve them better with the products they want to see manufactured and sell in our farm store and other stores. We will not waste time in adopting new technology, best practices and diversifying our services, expand our product and service offerings once the need arises, we are not only going to do farm tours, the plan is also to have a restaurant and event centre, to enable to cut cost on the mixture of our products we intent to venture into horticulture where amongst things herbs and edible flowers will be planted and have an orchard of different kind of fruits.

18. STAFF WELFARE

Maphutsaneng Valley Dairy Goat Farm will make sure that the right foundation, structures and processes are put in place in order to ensure that our staff welfare are well taken care of. Our farm is designed to drive our business to greater heights and training and retraining of our workforce is our top priority.

As a matter of fact, profit-sharing arrangement of 5% will be made available to all our management staff and it will be based on their performance for a period of five years or more.

We know that if that is put in place, we will be able to successfully hire and retain the best hands we can get in the industry; they will be more committed to help us build the business of our dreams.

Thank you and waiting in anticipation for reading our business plan.

19. CONTACT PERSON

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