

BUSINESS PLAN



Agricultural Enterprise (Dairy Farm)



2014

Adaptation of this business plan is possible for similar project around the world.

Project Description

Project purpose: the project purpose is start-up of highly profitable agricultural enterprise, which produces the environmentally friendly products.

The main activities of starting agricultural enterprise will be the following:

- production of milk of the highest quality due to the usage of robots-milkers;
- production of high-quality veal for sale;
- breeding for oneself and for sale the livestock of Holstein cattle, which provides the highest yield of milk;
- processing of farm wastes on the biogas plant and production of electricity, heat and fertilizers;
- independent production of food for animals.

The project provides selection and purchase of highly productive Holstein cattle with the potential yield of milk up to 10,000 kg per lactation.

According to the plans, there will be more than 1,200 Holstein-Friesian black-and-white dairy cows on the complex. An expected yield of milk per 1 cow is 8,000 kg per lactation.

Amount of marketable milk provided by the full project capacity will be about 10,000 t per year.

It is planned to rent about 5,000 ha of land for guaranteed and reliable supply of herd by high quality forage.

This project provides the construction of new buildings and structures on the new empty place with no animals.

Financial indicators:

Indicators of efficiency	USD
Discount rate, %	15,00
Payback period – PB, months.	56
Discounted payback period – DPB, months.	***
Net presence value – NPV	***
Profitability index – PI	***
Internal rate of return – IRR, %	***

Excerpts from Research:

Professional specialists in the field of dairy farming, forage and crop production, veterinary, farm mechanization and finance will be invited for participation in the project. The whole team has the necessary experience and knowledge, which allows providing the successful project implementation. Some specialists will be included to the staff of the farm, others will provide services under the contract.

Preparatory phase includes the costs for:

- legalization of land ownership for construction;
- performance of design and survey works (topographical and geological surveys, order for production of farm working draft);
- contracting for purchase of animals in accordance with the designed schedule of held delivery;
- selection and exploration of dairy complex personnel and its primary instruction.

The analysis allows coming to the following conclusions:

- There is an acute shortage of raw milk on the milk market.
- Dairy products market increases. In 2011, the growth of raw milk production was caused by recovery of normal weather conditions. For 2012-2013, the general yield of milk has decreased as a consequence of crop failure in 2012 and livestock reduction. On the background of declined raw milk production, the milk processing enterprises will be forced to increase the purchase price for raw milk to guarantee for themselves the stable supply of raw materials.
- For producing the quality dairy products and premium class products, the milk processing enterprises first of all will be interested in purchasing of high quality raw milk. The most agricultural enterprises cannot guarantee the stable supply of quality milk for processors, the reason of which is the worn-out equipment and outdated technologies of milk production.

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- ✓ during one to two hours our team will be ready to
answer all questions related to the structure and
content of the business plan*

*Respectfully,
«VTSConsulting» team*

INFORMATION ABOUT THE «VTSConsulting» COMPANY

«VTSConsulting» company was founded in May 2010 by a team of professionals led by Vladyslav Tsygoda. Vladyslav Tsygoda is a business consultant, a recognized leader in the field of business planning in the CIS countries (according to the portal free-lance.ru), today he is the head of the rating of the consulting company.

Development of business plans, feasibility studies, investment memorandums, financial models and business presentations are the main directions of the team, which includes highly skilled analysts.

Experience of the team in the development of investment documents is more than 6 years, and today «VTSConsulting» is the only company in Ukraine, which is a partner of the project «RBC. Market research».

«VTSConsulting» team and principles of work

- ✓ a unique approach to solving problems;
- ✓ an impeccable reputation and a high degree of customer confidence;
- ✓ high professionalism regardless of field of study;
- ✓ practical experience, including the implementation of complex highly specialized projects.

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And we are proud of our customers!**

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This is not a complete list of those
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Our customers recommend us to their friends and partners, because we work for the results and complete satisfaction of a Client. Thus, ordering business plan, information or investment memorandum from us, you do not just spend money.

You invest.

*Respectfully,
Vladyslav Tsygoda,
the head of «VTSConsulting»*