

FOCUSWISE (ON CASSAVA PRODUCTION)

CASSAVA MILLING BUSINESS PLAN

1.0 EXECUTIVE SUMMARY

Thanks to PATHWAYS, Focuswise (on cassava production) has become a timely driver of economic development in Kagurumo Community of Murang'a County , Kenya. Its goal has been to achieve economic empowerment of the community through introduction of cassava as an alternative food and cash crop. The project is being implemented in stages. The 1st stage was on sensitizing and educating farmers about the benefits of cassava farming. The 2nd stage is the actual planting of the crop by farmers.

The 3rd stage is on commercialization. Farmers who planted their crop in early 2010, are already harvesting and selling the raw cassava roots. However, the group would wish to see farmers reap maximum benefits from their cassava crop. This necessitates the starting of a cassava milling business.

1.1 OBJECTIVES.

1. To add value to the cassavas produced by milling the roots into flour for consumption by the farmers' families.
2. To enable the community to start businesses involving baking of dough-nuts and bread, making porridge, from cassava flour.
3. To boost livestock production by availing cheaper, more nutritious livestock feeds in the form of milled cassava roots.

1.2 STRENGTHS OF THE MILLING BUSINESS.

1. A very reliable source of raw materials (cassava roots) from the farmers growing the crop.
2. An overwhelming market for the cassava- made livestock feeds by farmers who have had to buy very expensive, less nutritious corn-made livestock feeds.
3. Business location close to the customers (farmers).
4. A highly motivated and friendly workforce.

2.0 BUSINESS SUMMARY

2.1 BUSINESS OWNERSHIP

The business will be owned by the Focuswise (on cassava production) Group. Just like other group activities, it will be operated under the control of the members through the Project Management Council.

2.2 BUSINESS LOCATION.

The business will be situated at Irigiro Shopping Centre.

This is the main trading centre in Kagurumo Location.

It is also infrastructurally developed in terms of electric power availability and accessibility by road.

2.3 START UP SUMMARY

The stated machinery and machinery set up costs i.e. machine fixing costs and wiring costs obtained after a thorough comparison of price lists/ quotation lists from different machinery firms.

ITEM	COST/ AMOUNT (KSHS)
<u>Machinery Costs.</u>	
Crushing machine	170,000
Milling machine	270,000
<u>Machine set-up costs</u>	
Machine fixing	10,000
Wiring	5,000
<u>Operational Expenses</u>	
Rent (for the first 3 months)	15,000
Operator salary (for the first 3 months)	15,000
Electric power charges	10,000
license	<u>5,000</u>
Total cost	<u>500,000</u>

NB: The operational expenses i.e Rent and Operator salary cover the first 3 months of operation. After this period, the milling business will be strongly established and operating optimally.

3.0 MANAGEMENT SUMMARY

Peter Kamau will be employed as the mill operator. His responsibilities will include operating the mill and collecting the revenue. Peter has the much-needed experience as he has previously worked as an operator in a corn mill. He will be reporting to the Project Management Council.

3.1 PERSONNEL REMUNERATION.

The operator will be awarded a monthly salary of Kshs. 5,000.00

4.0 FINANCIAL PLAN.

4.1 PROJECTED CASHFLOW.

The proposed charges for cassava-milling service is Kshs.10.00 (Ten shillings) for a 2 kg tin of cassava flour milled. The charges will be set this low at the beginning to encourage farmers to increase the utility of their cassavas by milling it into flour.

The demand for the service is projected to shoot high as more farmers plant and harvest their cassavas. Then, the charges may be increased. The wide customer base will lead to a tremendous increase in the revenue accruing.

NB. Other financial statements will be provided when the milling business is rolled out.

5.0 SUSTAINABILITY OF THE MILLING BUSINESS.

Focuswise (On Cassava Production) aims to make Cassava the community's alternative food and cash crop. The group is working aggressively to have more households plant cassavas. The milling business will therefore have an over-expanding source of raw materials and an ever-growing customer base. The revenue generated from the milling business will be used to expand the cassava-production project by replicating it in the neighbouring communities. This will lead to an overwhelming demand for the milling business.