

DESTINY PRODUCE

BUSINESS PLAN



TIZGOWERE MSISKA

[2020]

Business Background

Destiny Produce is a fully registered business which started its operations in December 2019. The business is a social enterprise that was formed to link local horticulture farmers to formal, structural and reliable markets for their farm produce. The enterprise was conceived after discovering that farmers fail to access formal and structural markets due to 3 major reasons:

1. Farmers are unable to produce in large quantities due to lack of improved farm inputs and implements.
2. The quality of farm produce produced by local farmers is of very low quality that it fails to meet standards and quality required by supermarkets.
3. Farmers fail to consistently supply on the market and satisfy the demand for the produce.

Destiny Produce was established to help farmers deal with these challenges by creating a social enterprise that would partner with local horticulture farmers as well as other farmers in areas of cereals, legumes, and livestock.

Objectives of Destiny Produce

1. To boost the production of local farmers by supporting them with farm inputs, implements and sustainable farming practices.
2. To sustain production by enabling farmers produce all year round through capacity building and trainings in sustainable agriculture practices.
3. To link local farmers to structural, formal, reliable and sustainable markets for their produce thereby economically empowering them.
4. To produce perfect substitute horticultural products that would replace imported horticultural products found in most supermarkets in Malawi.

Mission Statement

To create a sustainable and highly productive network of local farmers in Malawi.

Vision Statement

A flourishing agricultural sector with sustainable markets.

Environmental Scanning

SWOT Analysis

Strengths	Weaknesses
<ol style="list-style-type: none">1. Strong network of farmers groups and/or cooperatives2. Strong list of volunteers that are working with farmers on the ground3. Strong partnerships with both local and international organizations	<ol style="list-style-type: none">1. Lack of expertise in agriculture by most of the team members2. Low capital to invest in farmers3. No infrastructure to act as warehouses and shops for the produce
Opportunities	Threats
<ol style="list-style-type: none">1. Farmers have own land hence no to little investment on land by both farmers and the business2. Challenges farmers are facing to access structural and reliable local and international markets	<ol style="list-style-type: none">1. Established businesses on the market2. Unreliable climatic conditions3. Skyrocketing of farm input and implement prices4. Dynamic technological changes in the agricultural sector

Competition

Companies and organizations

There are a number of organizations and companies that are already in agricultural commodity marketing. These companies are like agents acting between sellers and buyers. Most of these companies are well-established and have branches in all regions of Malawi. These companies are such as ACE, AHCX, SPRODETA among others. However, it should be pointed out that almost all of the companies and organizations focus much on agricultural commodities such as cereals and legumes particularly maize, beans, ground nuts and soya beans.

Unlike the competitors, Destiny Produce's main focus will be on fresh horticultural produce such as tomatoes, watermelon, onion, cabbage, leafy vegetables, bananas, green pepper, green beans, Irish and sweet potatoes. These are highly perishable commodities that are hard to be stored/preserved for a long period of time. Destiny Produce's will also be linking

livestock farmers to these markets. Targeted will be farmers keeping chickens, pigs, goats and cattle.

Local Farmers

Other competitors are local farmers that grow and sell their produce on their own. Since they do not involve middlemen and use their own land, these farmers sell their produce at low prices compared to market prices. These farmers are likely to pose stiff competition to the business.

Market vendors

These are vendors that buy horticultural produce from farmers at exploitative prices. These vendors have strategic places where they ply their trades. They are easily spotted by customers. However, since the core reason for establishing Destiny Produce was because farmers complained about vendors' exploitation, these vendors will remain with few places from which to buy their horticultural produce.

These vendors also do not sell in tidy and hygienic places, making their business shunned and not patronised by certain classes of people.

Strengths of competitor

1. Well-established and have been in business for long time.
2. Huge capital investments with infrastructure in some parts of the country.
3. Wider network of farmers and strong database of farmers/farmers cooperatives.

Weaknesses of competitors

1. They have focussed much on legumes, cereals and livestock. They have not considered horticultural crops.
2. They do not have farmers' loyalty since the partnership is just on acting as an agent between buyer and seller. They focus less on production process.
3. Most of the competitors concentrated much on urban farmers/dealers and have left out real rural farmer who is on the ground.
4. They have not embraced technology in market linkages. The only technology they have embraced is market emailing and website.

How we will beat the competition

Companies and organizations

1. Destiny Produce will partner with farmers in both production and marketing of the produce. This will create a strong bond between farmers and the enterprise which will lead to loyalty of farmers to the enterprise.
2. Destiny Produce will establish a network of farmers which will be working with by supporting the farmers in production process.
3. Destiny Produce's focus will be on horticultural crops; an area not touched by both direct and major competitors.

Local farmers

4. Destiny Produce will have a consistent supply of vegetables and other horticultural crops on the market which has proved to be a challenge to local farmers and suppliers.
5. Destiny Produce will maintain a high quality crop through continuous monitoring of farmers and frequent field visits.

Market Vendors

6. Market vendors will have a short supply of stocks due to our partnership with the farmers.
7. We will be plying our trade in very tidy and clean environment suitable for all classes of people.
8. Destiny Produce is a registered business which will enable it to supply in large quantities to companies to companies, organizations, supermarkets and hotels.

Logic Framework

INPUTS	ACTIVITIES	OUTPUTS	OUTCOME	IMPACT
-Training materials -2 treadle pumps -3 sprayers -2 wheelbarrows -2 shovels -10 sachets of seeds	-Purchasing and supporting farmers with inputs and implements -Training farmers in sustainable agricultural practices	-57 farmers trained in sustainable agricultural practices -20 farmers supported with farm inputs	Improved production by local farmers	Increased income and food availability at community level

-2 banners -Fixing of shelves and counters -1 deep freezer -26 trips to the farms in one month	-Establishing a shop of veggies -Shop branding -Purchasing and fixing of shelves and counters -Hiring in of vehicle to transport the veggies	-A well-established shop has been established -57 farmers are linked to supermarkets, hotels, companies and hotels	Linkages to formal, structural and sustainable markets.	Economically-empowered local farmers
-ICT skills and cost of expertise	-Attending lessons in mobile app development -Developing a mobile application	Msika wa Mlimi mobile app developed and fully operational	-Easy access to market information by both sellers and buyers	

Start-up Budget

Item	Description	Amount (in MK)
Shop rentals	MK30000×12 months	360,000
Shop branding/banners	MK150,000	150,000
Furniture and fixtures	MK150,000	150,000
Vehicle hiring	MK6000×26days×12months	1,872,000
Weighing scale	MK10,000	10,000
Utility bills	MK5000×12months	60,000
Personnel	MK30,000×2×12months	720,000
Capital for buying veggies	MK100,000×3months	300,000
Deep freezer	MK250,000	250,000
Meat cutting machine	MK500,000	500,000
	TOTAL START-UP BUDGET (in MK)	4,372,000

Expansion Budget

This will include the support to farmers through loans in terms of agricultural equipment.

Category	Item	Description	Amount (in MK)
Equipment loaned to farmers	Solar-powered irrigation kits	MK2,000,000×2	4,000,000
	Treadle pumps	MK150,000×15	2,250,000
Equipment given to farmers for free	Wheelbarrows	MK30,000×15	450,000
	Shovels	MK5000×15	75,000
	Sprayers	MK18,000×15	270,000
	Seeds	MK100,000	100,000
Extension Services	Fuel to the field	MK30,000×3 Months	90,000
Vehicle for transporting produce	Refrigerated 2 ton van	MK5,000,000	5,000,000
	1 Tonne pick-up	MK2,500,000	2,500,000
Web and App development	Website development	MK500,000	500,000
	Website hosting	MK150,000×1 Year	150,000
	Mobile App Development (<i>Msika wa Mlimi</i> App)	MK1,000,000	1,000,000
New Shop outlets	Opening new shops (This includes everything required for a fully operational shop)	MK2,200,000 ×1 Shop	2,200,000
Wages for Team	Wages for Managing Director	MK70,000×6 months	420,000
	Agribusiness	MK60,000×6 months	360,000

	Manager		
	Agriculture Officer	MK50,000×6 months	300,000
	ICT and Communication Officer	MK50,000×6 months	300,000
TOTAL EXPANSION BUDGET (in MK)			19,965,000