PROJECT PROPOSAL

Name of the Project ; Mabini Dairy Project

Project Proponent ; Mabini Dairy Multi-Purpose Cooperative

(MADAMCO) Abaca, Mabini, Bohol

Project Participants ; 25 Dairy Farmers

Products ; Fresh/ Choco milk and calves

Proposed Selling Price ; P30.00/liter
P50.00/liter
P15,000/calf

Total Project Cost ; P1,181,250.00

Rationale :

The Municipalituy of Mabini is one of the identified areas in Bohol with high incidence of poverty. A greater percentage of its populace is dependent on farming as the major source of income for the family. In support to the Poverty Production Program of the Province, and to make breeding animals available to the farmers, the municipality of Mabini is presently implementing the MADAMCO Dairy Project. This Project is funded by the Philippine Carabao Center which provided the dairy animals I coordination with the LGU of Mabini.

The MADAMCO has 25 members who are residents of barangays Abaca, San Roque, San Jose and Cabidian. At present, 41 members have availed of dairy buffaloes from PCC. The cooperative started its operation (producing fresh and choco milk) in Dec. , 2004, however, it was not sustained due to some problems affecting its operation particularly on ,marketing of its products. With the existing milk processing center and potential dairy animals, it is hoped that the cooperative could resume its operation by December 2006.

Objectives :

1.) To increase income by providing livelihood enterprises among farmer-beneficiaries;
2.) To improve the competitiveness of livestock-based products and by-products;
3.) To make the enterprise sustainable by expanding and penetrating new market; and
4.) To increase carabao breeder base.

Marketing Management

Lactating animals will be the primary source of income of the proponent coop. Marketable products shall be in the form of fresh, choco milk and calves. The milk produced by individual farmer-cooperators will be collected and pooled for processing by the MADAMCO. Products will be sold to the nearby schools, resorts and other municipalities.

Calves, on the other hand, will be sold back to PCC or to others farmers in the area. Each head will be priced at P15,000.00.

Revenue Schedule

The project is expected to have at least 10-12 dairy animals to calve every year. Each lactating cow is assumed to produce 120 liters of milk per month and will lactate at an average of 6 months per year. Total milk production is estimated at least 8,640 liters per year. At a price of P30.00 per liter, annual sale is equivalent to P259,200.00. It is also expected that 12 calves will be sold per year at P 15,000.00 each, amounting to 180,000.00 sales from live calves.

On the other hand, production of choco milk would give additional income to the cooperative.

Socio-Economic Desirability

The project will directly benefit at least 25 farmer-beneficiaries in the form of employment and income generation. Through increase milk production in the area, nutrition problem can be likewise partially addressed. Additional calves produced along the production process will also increase the supply of draft power among farmers. It would also increase carabao breeder base in the province. The cooperative will benefit in the form of capital build-up and commission o sale of its products. Moreover, the project can showcase a viable livelihood enterprise that can create a multiplier effect within and outside the communities it serves.

FINANCIAL PLAN

PROJECT EXPENSES (5- year period)

Cost /Item	Total Amount
A. Base Herd (25 heifers @ P18,000)	P450,000.00
B. Animal Shed (25 cooperators @ P1,000)	25,000.00
C. Pasture Development	25,000.00
D. Processing Center, milk collection equipment	100,000.00
E. Pasture maintenance	25,000.00
F. Labor Cost	150,000.00
G. Supplementary Feeds and Biologics	300,000.00
H. Other Costs	50,000.00
Sub- total >>	1,125,000.00
Contingencies 5%	56,250.00
	1,181,250.00

PROJECTED INCOME

	Y1	Y2	Y3	Y4	Y5
Projected no. of lactating animals	10	12	12	12	12
Projected milk production per year (liters)	7,200	8,640	8,640	8,640	8,640
Projected no. of calves produced per year (hds)	10	12	12	12	12

PROJECTED INCOME STATEMENT

Particulars	Y1	Y2	Y3	Y4	Y5
REVENUES					
- Sales of milk	216,000	259,200	259,200	259,200	259,200
- Sales of live animals	150,000	180,000	180,000	180,000	180,000
- Total Revenues	366,000	439,200	439,200	439,200	439,200
OPERATING EXPENSES	236,250	236,250	236,250	236,250	236,250
Net Income	129,750	202,950	202,950	202,950	202,950
Return on Investment	55%	86%	86%	86%	86%

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