

WOMEN AND YOUTH CATTLE RAISING PROJECT AID FOR TRADE-COMPACT LOANS

COMPACT LOANS FOR CATTLE RAISING

Introduction

Kachi Agriculture Micro Finance is an access to finance entity of Schweizer Agriculture envisaging to provide compact loans first to an anchor cattle business for the establishment of a cattle programme of 100 cattle per feedlot operated by a cooperative of twenty (20) members mainly women/youths targeting four (4) regions of Central, Western, North Western and Northern Provinces of Zambia. Cattle raising compact loan program is devoted chiefly to breeding, raising cattle for beef and dairy products. The Aid for Trade compact loans will further provide technical assistance, technical support for cattle handling operated by women or youth groups in earmarked production Foot & Mouth Free Zones (FMZ) with a lot of care to avoid diseases. The cattle program will provide economic opportunities in beef, milk, skin hides, cheese, and decomposed manure (fertilizers) etc. The compact loan threshold would normally cost US\$47,849 – US\$148,445. The program envisage working with both the public and private sector driven interventions.

Production Capacity, Technology and Processing Description

One acre should contain one (1) animal when supplemented with additional feeds but one hundred (100) acres should contain an average of sixty (60) animals.

Market Analysis

There is a ready market for cattle products both on local and export market. The major key players include; Zam Beef, Kachema Chartonel Farms, Mkushi farm block ranchers, among others.

Capital Investment requirements in US\$

Capital Investment item	Units	Qty	Unit cost	Amount
Firm House	No.	2	1,500	3,000
Paddocks	No.	5	1,200	6,000
Firm Equipment	No.	1	861	861
Land	Acres	100	300	30,000
Total				39,861

One acre of land in rural area costs US\$615 and in urban areas it costs approximately US\$10,256 depending on whether it semi urban or urban. It is a small scale investment with capital investment of about US\$47, 850.

Requirements and Equipment

Direct Materials, Supplies and Costs in US\$

Cost item	Units	Unit cost	Qty/ day	Cost/ day	Cost/ month	Cost/ 2year
Direct Costs						
Animals	No	200	100	0.00	-	20,000
Feeds	Kg	0.50	500	250	6,500	91,000
Drugs		1.80	2.	3.60	94	1,123
Pesticides	litres	2.50	2.00	1.00	90	2,160
Subtotal		200.5	600	250	6,500	111,000
General Costs(Overheads)						
Administration expenses					250	6,000
Labor					600	14,400
Utilities					220	5,280
Depreciation					830	9,965
Miscellaneous					150	1,800
Subtotals					2,050	37,445
Total operating Costs					8,550	148,445



Raw Materials Requirements

A cooperative needs 100 acres of land which is then sub-divided into paddocks. Fencing poles, hammer and barbed wire are needed to fence off the farm. Iron sheets are needed for building the farm house while 5 large basins, 5 spades and about 5 wheelbarrows are needed for use in feeding the animals. Other requirements needed include: thermometer, measuring tape and injection equipment.

Producing beef cattle on a small farm does not require elaborate or expensive housing. One method is to allow animals to have access to an open air pole shelter. In enclosed building, proper ventilation is important to maintain good health.

An effective working facility consists of a crush, pens, a head clump and squeeze chute. The crush pen is needed for vaccinations and deworming while the neck clamps is needed if you must aid a cow with calving. The pens and narrow alley help confine animals that need to be handled and driven into the crush pen or neck clamp.

Project Product Costs and price Structure in US \$

Item	Qty/day	Qty year	Unit Cost	Prodn/ year	Unit price	Revenue
Cows	100	100	1,484.45	148,445	1600	160,000
Totals						160,000

Profitability Analysis

Profitability item	Per day	Per month	Per year
Revenue	513	13,333	160,000
Less: Production operating costs	476	12,370	148,445
Profit	37	963	11,555

Sources of Supply of Equipment and Raw materials

All the required Equipment, Drugs and Animals are locally and readily available on the market.

Government of Zambia (GRZ) Incentives

There are various Government of Zambia (GRZ) programs from which this project could benefit and they include: Ministry of Fisheries and Live-stock, The Ministry of Youth, Sport & Arts, Zambia Development Agency (ZDA), Citizens Economic Empowerment Commission (CEEC), Constituency Development Fund (CDF), Department of Resettlement under the Office of the Vice President etc. There are also extension workers such as veterinary officers that could provide support.