

BUSINESS PLAN

2023-2025



JANGOKORO United Farmers
Co-Operative Society Limited



REGISTRATION NUMBER

P.21077/RCS

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TABLE OF CONTENTS



EXECUTIVE SUMMARY	2
1.0 INTRODUCTION	3
1.1 Background of the Cooperative	3
1.2 Purpose of forming Jangokoro United Farmers Cooperative Society Limited	3
1.3 Vision Statement	3
1.4 Mission Statement	4
1.5 The Cooperative Strategic Goal	4
1.6 Cooperative Overall Objective	4
1.7 Organizational and Governance/Management Structure	4
Organogram	5
2.0 PRODUCTION PLAN	6
2.1 Production Strategy	6
3.0 BUSINESS PLAN RATIONALE AND SCOPE	7
3.1 Situational and Environmental Assessment	7
3.2 Internal Environmental Analysis	7
3.3 The Cooperative Trading Value Chain	8
4.0 COOPERATIVES BUSINESS STRATEGIES	9
4.1 Business Model Canvas for Jangokoro United Farmers' Co-Operative	10
4.2 Market targets	11
4.3 Cooperative Business and Revenue Generation Model	11
4.4 The Co-op Marketing mix	12
5.0 PRODUCTION, AGGREGATION AND SALES PLAN	14
5.1 Pricing Strategy	14
5.2 Promotional Plan	15
5.3 The People	16
6.0 HUMAN RESOURCE/MANAGEMENT PLAN	17
7.0 FINANCIAL PLAN	18
7.1. Financial Analysis/Assumptions	18
7.2. Income Options	18
7.3. Direct Costs	18
7.4. Resources needed for starting or doing the Business	19
7.5 Credit Facilities	19
7.6 Projected Cash Flow Statements	19
WORKPLAN FOR THE YEAR 2023	21
ANNEXES: I, II AND III	22

EXECUTIVE SUMMARY



Name of the Cooperative: Jangokoro United Farmers' Cooperative Society Limited, abbreviated as "JUFCO."

Location: The Cooperative is in Jangokoro Sub-County, Zombo District, West Nile Region

Legal Status/Type of the Cooperative: The Cooperative is registered as a Primary Producer Cooperative by the Registrar of Cooperative Societies in the Ministry of Trade, Industry and Cooperatives on Probation, with Registration Number P.21077/RCS

Contact Details of the Manager/Chairperson: Telephone Number +256 772456526, email: ukadhamuha@gmail.com

Membership: Jangokoro United Farmers Cooperative has a total Membership of 307; of which; 139 are Males and 168 Females who are actively involved in the production.

Production Capacity: For the first Year 1, the Cooperative expects to produce the total output of 1,228 bags, while Year 2; 4,200 bags and Year 3; 9,600bags of Irish Potato.

Product Process: Mindful of Climate Change, the farmers shall use Climate Smart Agricultural Practices, whereby each Individual farmer will set aside 0.5 acre of land for Irish Potato production for Bulking at Cooperative level which shall be produced without the use of Inorganic Chemicals, hence High Quality Organic Irish Potato

Purpose: To Promote Production, Collective and Bulk Marketing of the Products and Value Addition of members'/farmers' produce in Jangokoro Sub-County through its Strategic Objectives.

Customers: The Cooperative shall deal majorly with the Customers from within based on the high demand for the Irish Potato and therefore save on transportation by selling to customers who come to buy directly from the Cooperative Stores which includes Community of Jangokoro, Paidha market vendors, Panyimur and Arua City.

Human Resources/Management: To run the Cooperative effectively and efficiently, there will be the Board instituted by the General Assembly to help in the smooth flow of the Cooperative business and they will be supported by key Technical Staff/ Management staff that will be responsible for the day to day operations of the Cooperative.

Financial Projections: The Cooperative needs 55,000,000/= of which members' contributions amounts to UGX 10,644,000 and the gap of UGX 44,356,000 to be funded through the Retained Earnings and external Loan. Total Income of UGX 185,531,000 less Expenses of 157,338,000 giving the Cooperative Annual profit of UGX 28,193,000 before Tax.

0.1 INTRODUCTION



1.1 Background of the Cooperative

Jangokoro United Farmers' Cooperative Society Limited is a fully registered Primary Agricultural Cooperative by the Registrar of Cooperative Societies in the Ministry of Trade, Industry and Cooperatives, on Probation, with Registration Number P.21077/RCS and currently has a total Membership of 307 comprising of 139 Male and 168 Female engaged in the Cooperative Business with the aim of exploiting Market potentials of Organic Agricultural Produce and Seed Multiplication of Irish Potato in the Region and beyond.

Jangokoro United Farmers Cooperative's major purpose is to support farmer-members to increase farm incomes through an increase in Agricultural Production and Productivity and access better-paying markets so as to afford basic services for improvement of livelihoods at the Household level. The Cooperative also wants to prioritize Food Security at the household level as well as farmers' awareness of their need to protect the Environment through sustainable Natural Resource use and other Strategies to mitigate the vagaries of Climate Change.

Summary Information:	
Official Name:	Jangokoro United Farmers Cooperative Society Limited
Purpose:	To Promote Production, Collective and Bulk Marketing
Product(s):	Irish Potato
Type of Cooperative and Registration Number	Primary Producer Cooperative, Reg. No. P.21077/RCS
Membership:	Male: 139 Female: 168 Total: 307
Registration Date	16th July 2022
Registration Body	Ministry of Trade, Industry and Cooperatives-MTIC
Registration Act	Section 6(1) of the Cooperative Societies Amendment Act 2020
Contact Information:	
Postal Address	C/o P.O. Box 1, Paidha, Zombo District, WEST NILE REGION
Phone Number	+256 772456526
E-mail	ukadhamuha@gmail.com

1.2 Purpose of forming Jangokoro United Farmers Cooperative Society Limited

The purpose of forming the Cooperative was to unite the original existing Farmer Groups, ten (10) in number to become a recognized Legal Entity so as to participate in Collective and Bulk Marketing of members' Produce; transform members from Subsistence to Commercial-oriented farming through provision of services that lead to higher Household Incomes for better Livelihoods for all family members on sustainable basis, eventually alleviating Poverty.

1.3 Vision Statement

A Leading Producer and Marketing Cooperative that empowers its members to Prosperity by engaging in Production and Supply of High-Quality Irish Potato, Quality Declared Irish Potato Seed including Organic Arabica Coffee, Nutritious Beans and Banana in Zombo District.



1.4 Mission Statement

To Promote Market-oriented Farming,
Collective and Bulk Marketing of members'
Produce by use of improved Technology,
Provision of Extension and Financial services
so as to increase members' Incomes on
sustainable basis.

1.5 The Cooperative Strategic Goal

The Cooperative's Strategic Goal for the next
3-Year Period is to promote market-oriented
production among the members and facilitate
access to best markets so as to increase the
Household Incomes of active members in order
to improve on their Socio-economic Status for
sustainable Rural Development and Community
Transformation.

1.6 Cooperative Overall Objective

The Cooperative's overall Objective is to market members Produce to better Paying Buyers.

Specific Objectives:

- *To increase the quality and quantity of Irish Potato with 100% demand rate*
- *To Provide Education/Capacity building training to members majorly on Production, Operation of the Society, Customer attraction/retention skills and financial literacy so as to manage Credits extended to achieve a 20 % increase in production through reinvestments in order to outcompete the local farmers.*

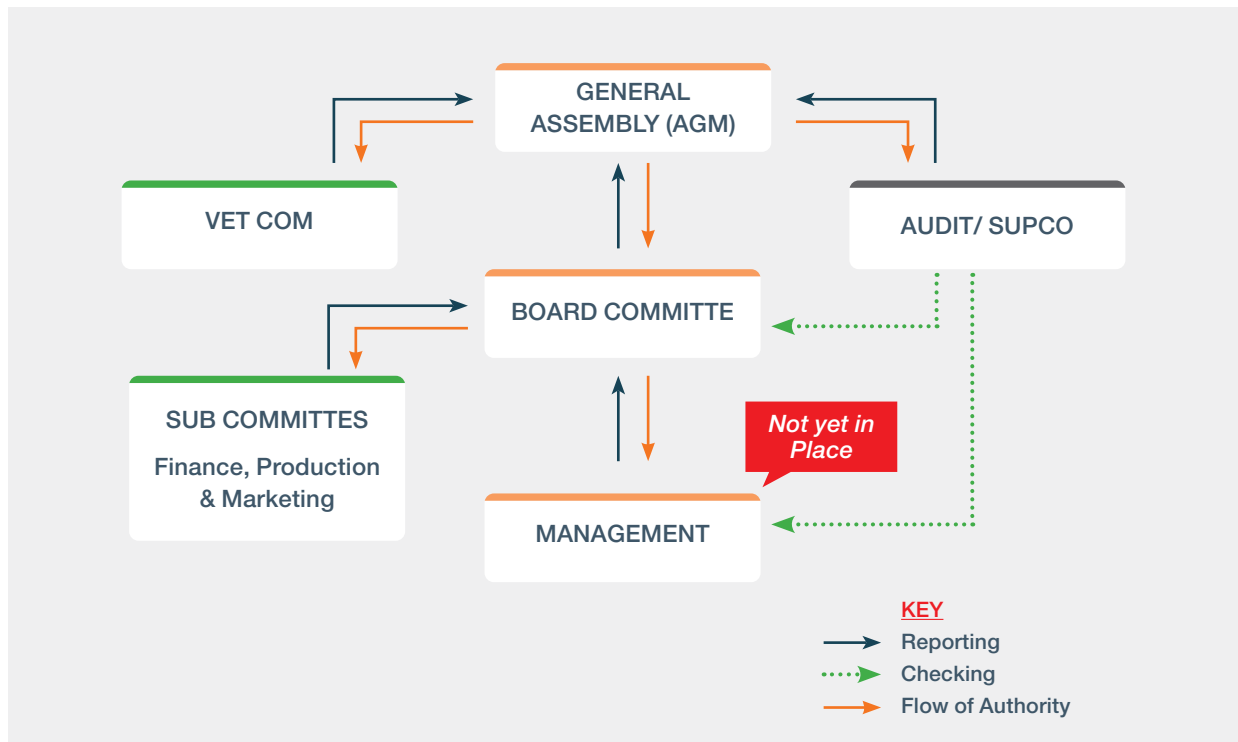
1.7 Organizational and Governance/Management Structure

The Cooperative Organizational Structure is guided by the Cooperative Societies Amendment Act, 2020, and the Bye-Laws. The Supreme Decision-making Organ is the Annual General Meeting (AGM). It consists of Delegates/Members who are fully paid-up who meet annually to receive Reports from the Board and give direction to the operations of the Cooperative Organization. The AGM also elects the Board to lead the management of the Cooperative over a Term of three Years renewable once. It also elects a Vetting Committee to manage the election process as well as the Audit and Supervisory Committee to ensure that activities of the Board and eventually the Technical Staff are in the best interest of members.

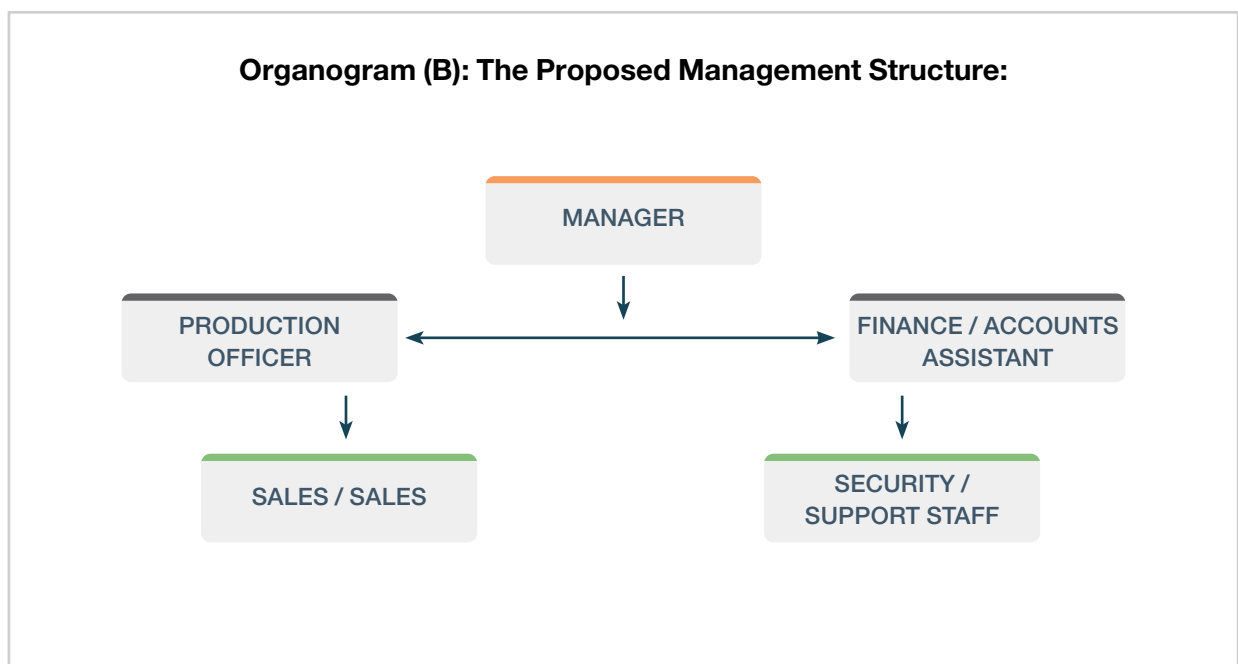
The Board/Committee is composed of nine members, a third of whom are female and youth. It is responsible for developing Operational Policies, which are approved by the AGM. It is also responsible for overseeing the implementation of the Cooperative's Operational Policies and as well approves the Annual Budget and Maximum Liability for the ensuing year.

Organogram illustrating Jangokoro United Farmers Co-operative Governance and Management Structure:

Organogram (A): The Current Governance Structure:



Organogram (B): The Proposed Management Structure:



0.2 PRODUCTION PLAN



In order to be able to produce for the market, Jangokoro United Farmers' Cooperative Society will implement a Production & Bulking/Aggregation Plan for members' Produce. To compose a feasible Crop Aggregation Plan, all items with a direct effect on the volumes bulked and marketed as well as restrictions on the ability of the Cooperative to sell bulked Produce have been considered. Such items include; the land size of the members and their priority/preferred crop mix, the quality of the Produce, the seasonality of the crop, climatic factors that enable /hinder planting and harvesting, the capacity of the Cooperative, market demand, etc.

Thus, the following were some of the factors that informed the Production and Aggregation Planning;

- *Irish Potato both as Food and Seed being the key Enterprise requires proper/timely planning because of unpredictable rain pattern, land cultivation has to begin in Jan/Feb and planting done in March/April, with harvesting/marketing in July/Aug for 1st Season and for 2nd Season, harvesting and marketing is in November/December accordingly.*
- *The Cooperative has up to 307 members and all of these members are fully engaged in the production at the same level, during Year 1 there shall be a slow start which is expected to gradually increase during year 2 and 3, while producing on average 0.5 acre in year 1 & 2 and 1 acre in year 3 realizing 10, 15 and 20 bags respectively.*

2.1 Production Strategy

The cooperative will rely on its members to produce, to ensure coordinated production to meet the cooperatives shared goals; joint production planning will be done to define the production targets, resource requirement planning and collective procurements. Production planning will focus on the following;

- *Determining the target quantities to be marketed based on projected demand for each product*
- *Selecting the enterprise planned for collective marketing and determining acreage to be planted*
- *Agreeing on planting periods and timelines for sequenced farm activities to deliver the farm products at the right time for the market through a coordinated planting and harvest planning.*



0.3 BUSINESS PLAN RATIONALE & SCOPE

Cooperatives do operate in a dynamic Business environment with complex Economic Structures, Institutions and influences ranging from Local to National, Regional and International scope. Therefore, Cooperatives ought to address the changing needs of farmer-members in an evolving Agricultural market space and they have to be visionary and strategic so as to align themselves within the Economic Business environment. Henceforth, they have to integrate Strategic Business Planning process into their Organizational Structure parse.

3.1 Situational and Environmental Assessment

This Strategic Business Plan has been developed through a robust process of analysis of the Cooperative Business environment, Internal and External environment to determine the Strategic focus areas, an appropriate Production, Marketing, Human Resource plan, Income and Cost Structures which form the basis of the Cooperatives Business Model.

3.2 Internal Environmental Analysis

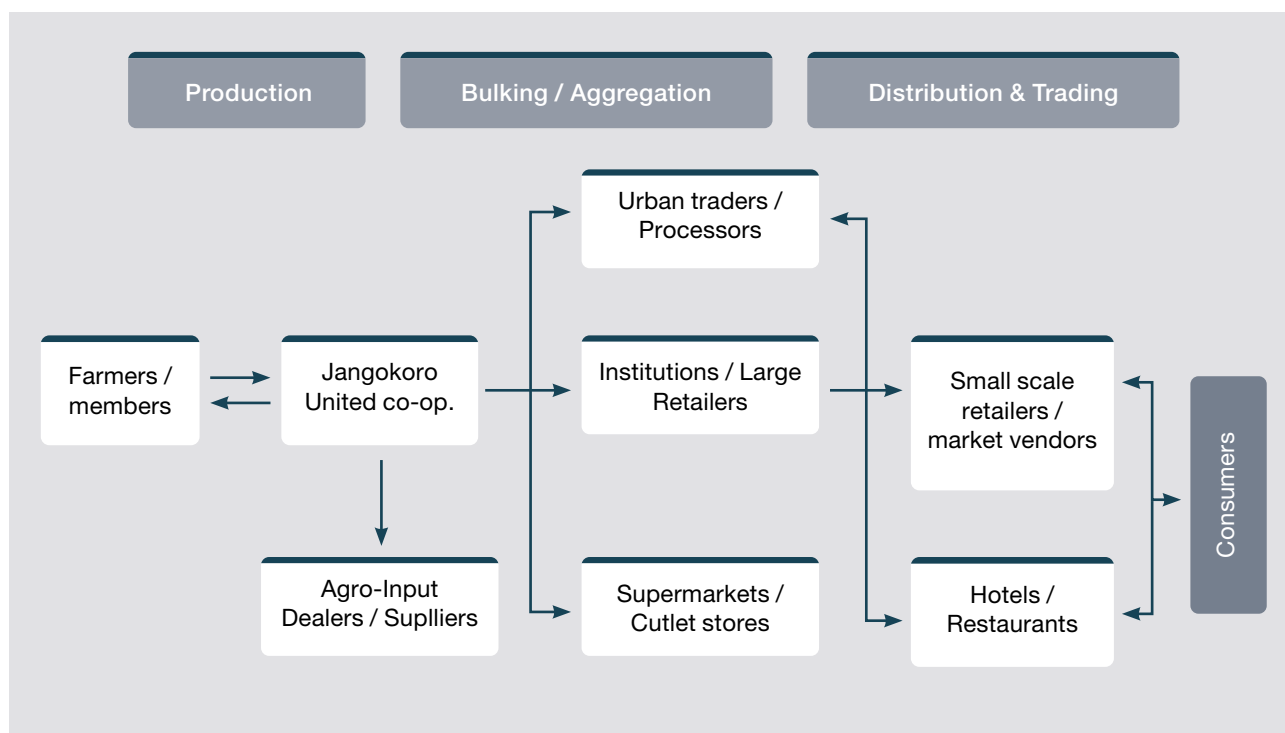
The Internal Business environment includes all factors within the Cooperative Organization that impact the approach and success of the Business Operations. The “SWOT Analysis Tool” was used and results summarized in Table here below.

Main Strengths	Main Weaknesses	Opportunities	Main Threats
<ul style="list-style-type: none"> i) <i>Being a Legal Entity, since it's a registered Cooperative</i> ii) <i>Visionary and Committed Leaders</i> iii) <i>Membership base-307 Members</i> iv) <i>Active Members who are engaged in Production</i> v) <i>Members access to Fertile Land</i> vi) <i>Market availability</i> vii) <i>Willing Partners, e.g. AFARD, ZODFA, Zombo District Local Government</i> 	<ul style="list-style-type: none"> i) <i>Inadequate Capital</i> ii) <i>Few fully paid-up members</i> iii) <i>Lack of Expertise/Skills</i> iv) <i>Lack of Storage facility</i> v) <i>Few members embracing Collective and Bulk Marketing</i> vi) <i>Lack of Transport to facilitate collection of members Produce.</i> 	<ul style="list-style-type: none"> i) <i>Good Infrastructure in terms of Road Network</i> ii) <i>High demand for Irish Potato both as Food and Seed</i> iii) <i>Availability of Land</i> iv) <i>Nearness to the Border with DRC</i> v) <i>Nearness to Arua City and other growing Townships</i> vi) <i>Presence of Refugees in the Region.</i> vii) <i>Availability of Labor</i> viii) <i>Government Programs and Donor Support</i> 	<ul style="list-style-type: none"> i) <i>Pests/Diseases</i> ii) <i>Unpredictable Weather conditions</i> iii) <i>Fake Inputs</i> iv) <i>Competition from other farmers and Business Entities</i> v) <i>Population growth</i> vi) <i>Majority of Youth not Pro-Agriculture.</i>
<p>The implication of the identified Strengths shall be of benefit in the following ways;</p> <ul style="list-style-type: none"> i) <i>Reduce expenses on fertilizers</i> ii) <i>Maximize production, intercrop/rotation, diversification</i> iii) <i>Improving quality of products</i> iv) <i>Increase on the acreage</i> 	<p>The implication of the identified Weaknesses shall be addressed through the following ways;</p> <ul style="list-style-type: none"> i) <i>Extensive Mobilization of more members</i> ii) <i>Set up local/internal savings</i> iii) <i>Lobby from partners, gov't</i> iv) <i>Encourage bulking and marketing</i> 	<p>The implication of the identified Opportunities shall be of benefit in the following ways;</p> <ul style="list-style-type: none"> i) <i>To market their products far</i> ii) <i>Increase on production</i> iii) <i>Meet Donor/Gov't targets</i> iv) <i>Participate in Gov't programs like Youth livelihood, Emyooga, Parish Development Model (PDM)</i> 	<p>The Cooperative shall address the Threats through the following ways;</p> <ul style="list-style-type: none"> i) <i>Adopting resistant variety crops</i> ii) <i>Timely planning and production</i> iii) <i>Engaging in training/skilling</i> iv) <i>Engage in mass community sensitization</i>

The Planning Team also considered the Institutional Capacity Assessment Report availed during the development of the Strategic

3.3 The Cooperative Trading Value chain

The Chart here below is the desired Value Chain Map which will be implemented by Jangokoro United Farmer's Cooperative to ensure members are better involved in the selected Value Chains, for better farm returns and improved Household Incomes.



Competitor's Analysis:

The main competitors are Private buyers, Middlemen, other cooperatives and other farmer organizations. Some are small sizes, others are medium sizes and a few are large buyers who are agents of the millers and processors. The only ground on which they play big part in the competition is by using cash to buy farmers' produce at prices lower than what the markets offer.

The comparative advantage the cooperative has over the competitors are:

- Quality and quantity of produce bulked
- Uniformity of the varieties of produce traded
- Nearness to members and other out growers
- Competitive prices of produce
- Providing diverse post- harvest handling trainings and guidance

The Cooperative will train members about agricultural financing, lending and how to access credit facility from Microfinance Support Centre and other Financial Institutions as Crop finance to provide members advance during Bulk marketing so that they cannot sell cheaply to middlemen who normally exploit them.

0.4 COOPERATIVES BUSINESS STRATEGIES

The Co-op business strategy is anchored on its strength and matched market opportunities, the Co-op will address key areas of weakness and potential risk areas arising from the identified external threats. The Cooperative business strategies are desired to drive growth and improve members' welfare. The cooperative will exploit development partnerships and strategic business relationships to advance the goals and objectives of the Co-op.

The Cooperative will target selling its products to bulk buyers, Processors and Supermarkets as primary markets. The Co-op will negotiate forward contracts with credible and well-resourced buyers, take up institutional supply contracts. The Co-op. will charge a marketing and sales commission on members and pass on the bulk of the price earned to the farmers.



4.1 Business Model Canvas for Jangokoro United Farmers' Co-operative

KEY PARTNERS	KEY ACTIVITIES / STRATEGIES	VALUE PROPOSITION	CUSTOMER RELATION	CUSTOMER SEGMENT
<ul style="list-style-type: none"> Farmers/ Members AFARD Zombo District Local Gov't Jangokoro Sub County Local Government Zombo District Farmers Association ZODFA WENILOSEBA UNFFE NARO/Abi-ZARDI Financial Institutions e.g. Centenary Bank, MSCL MTIC 	<ul style="list-style-type: none"> Collective procurement of inputs Delivery of extension services Bulk marketing Primary value addition Trade market targeting Irish Potato Production Irish Potato Seed Multiplication Profiling Farmers for Target Setting to meet Market Demands and for Seed Supplies Collection and Storage of Irish Potato and Seeds Membership Mobilization and Sensitization on Bulk and Collective Marketing Provision of Marketing Information Coffee Production Bean Production Training on Financial Literacy FVSLAS 	<p>Internal:</p> <ul style="list-style-type: none"> Timely supply of Certified/ Quality Declared Irish Potato Seeds Yielding at affordable Prices and on Loan Basis-Seed Loans Market Opportunities that are reliable and with Competitive Prices Offering Agro-ecology Training and Financial Inclusion for Increased and Sustainable <p>External:</p> <ul style="list-style-type: none"> Production of Quality and quantity Irish Potato demanded Reliability of Supplies and Preferred Variety Convenience and ease of Accessibility to Customers Timeliness and Trustworthiness 	<ul style="list-style-type: none"> Regular Phone calls/Messaging to Potential Customers/Buyers Offering Discounts for Bulk Purchases/Regular Customers Radio Talk Shows on Local FMs Organizing Business to Business- B2B Meetings intended to solicit external support and promote linkages Exhibitions/Trade Shows Creating WhatsApp Platform and Face Book and Use of Emails Posters, fliers, banners Adverts on West Nile TV Making Visits to Potential Buyers. 	<p>a) Business-to-Business Customers:</p> <ul style="list-style-type: none"> Institutions like Schools, Hospitals, Business Entities; Hotels, Restaurants, Supermarkets, Processors of Crisps, Chips & French Fries CBOs/NGOs, Gov't entity <p>b) Business to Customer/Final Consumers:</p> <ul style="list-style-type: none"> Households in Arua City and other Townships in West Nile, Community in Jangokoro Market Vendors Members/Farmers for Quality Declared Irish Potato Seeds
KEY RESOURCES			DELIVERY CHANNELS	
<ul style="list-style-type: none"> Agro-Inputs i.e. Irish Potato Seeds; Foundation Seeds 120 bags Quality declared seeds 300 bags Land for the Coop. 5 Acres Human Resource/Labor, Capital Ugx75,000,000 Post-Harvest Handling Equipment/machinery Store/Office Transport 2 Tri-cycles 			<ul style="list-style-type: none"> Agents Central Collection/Bulking Store Inputs: Stores/Outlets, Seed producers, Community Village agents, and Group leaders Farm products; Direct/Indirect Sales from Bulk Stores, Urban aggregators, Industrial and Export buyers and Institutional buyers Contract Supplies Use of Tri-cycles for smaller quantities delivered at Customer's Point on Weekly basis. 	
COST STRUCTURE		REVENUE STREAMS		
<ul style="list-style-type: none"> Input Purchases/Supplies Marketing Post-Harvest Handling Related Expenses Office & Store Rents Salaries & Wages Office/Administrative Expenses; - (Allowances on Travels, Accommodation and Communication) Board/Committee Meetings Equipment and Other Assets Repairs and Maintenance Mobilization/Sensitization & Training Activities Advertisements Taxes 		<ul style="list-style-type: none"> Membership Fees Shares and Annual Subscriptions Commission Earned-Incomes from Sales of Produce and Inputs (Irish Potato Seeds) Donations/Grants 		

4.2. Market targets

Products and Service Delivery Plan:

Local/member Markets	Selling Inputs, seed and related products for production
Aggregator, Corporate, Export and Industries markets	
Institutions:	Contract supplies of Irish Potato for institutions like Schools, Colleges and Universities feeding.

a) Products:

To Members:	To Customers:
<ul style="list-style-type: none">• Quality and improved seeds• Chemical inputs (fertilizers, pesticides, herbicides)• Tarpaulins and packaging materials• Machines/ equipment for storage	<ul style="list-style-type: none">• Quality bulked produce

b) Services:

To Members:	To Customers:
<ul style="list-style-type: none">• Extension services• Training and education• Value addition (processing)• Produce transportation and marketing• Bulking and marketing• Linkages to financial services and products• Linkages to agro-input dealers• Advocacy, lobbying and networking	<ul style="list-style-type: none">• Quality assurance• Produce bulking• Transport cost sharing• Business-to-business meetings• Market information sharing

4.3 Cooperative Business and Revenue Generation Model

The Business Model Canvass details the key elements of the Co-operatives Business model. The Cooperative will build its business and revenue model on a solid membership recruitment, loyalty and member retention strategy. This membership recruitment, loyalty and member retention plan will be achieved through;

- Delivery of high-quality market linkages/market services that make the Cooperative stand out
- Providing support services at better prices to members and customers/dealers
- Maintain gross profit margin at 50 – 60 % or better for the farmers/members
- Adding Value to maintain customer interest and boost sales revenue/volumes
- Adding some Enterprises for Diversification backed by the demand of the Customers

This is expected to boost the Co-operatives revenues structure which consists of;

- Trading activities*
- Service delivery fees*
- Trading Commissions*
- Member contributions (subscription and membership fees)*

4.4 The Co-op Marketing mix

Mix Element	Strategy/Plan
1. Pricing Strategy/plan	The Co-op will adopt a going rate plus premium pricing strategy for our external buyers and a discounted price strategy for our member or internal customers on production inputs.
2. Product and targets	The Co-op. will promote collective/centralized production planning for key Irish potatoes, do bulking for collective marketing to trade through the Co-op. This will ensure timely and coordinated planting, harvesting and post-harvest management, market planning and quality assurance
3.Sales and Distribution strategy/plan	The target markets are the corporate or business buyers which will form the outlet channel for our products to reach the last mile consumer.
4.Promotional strategy/plan	The Co-op will use trade marketing promotional tools which include; trade fairs, field days, stakeholder engagements and out-door visibility, media engagements.
5. People/Membership Strategy/plan	To build a highly productive and loyal membership through; <ol style="list-style-type: none"> <i>Premium marketing to deliver attractive prices and market incentives to farmers.</i> <i>Facilitate access to reliable required inputs and financing opportunities to increase production.</i> <i>Offer customized business development services.</i> <i>Develop loyalty incentive schemes for member retention</i>

Products

The main products of the cooperative are ware potato and Irish potato seed. Others will include Coffee and beans. The Cooperative will trade majorly on the following products

S/N	Product:	Variety:
1	Irish Potato	Rwangume/Sangema
2	Irish Potato Seed	

Sales and Distribution (The Route to market)

The Co-operatives rout to market is anchored on three membership production activities

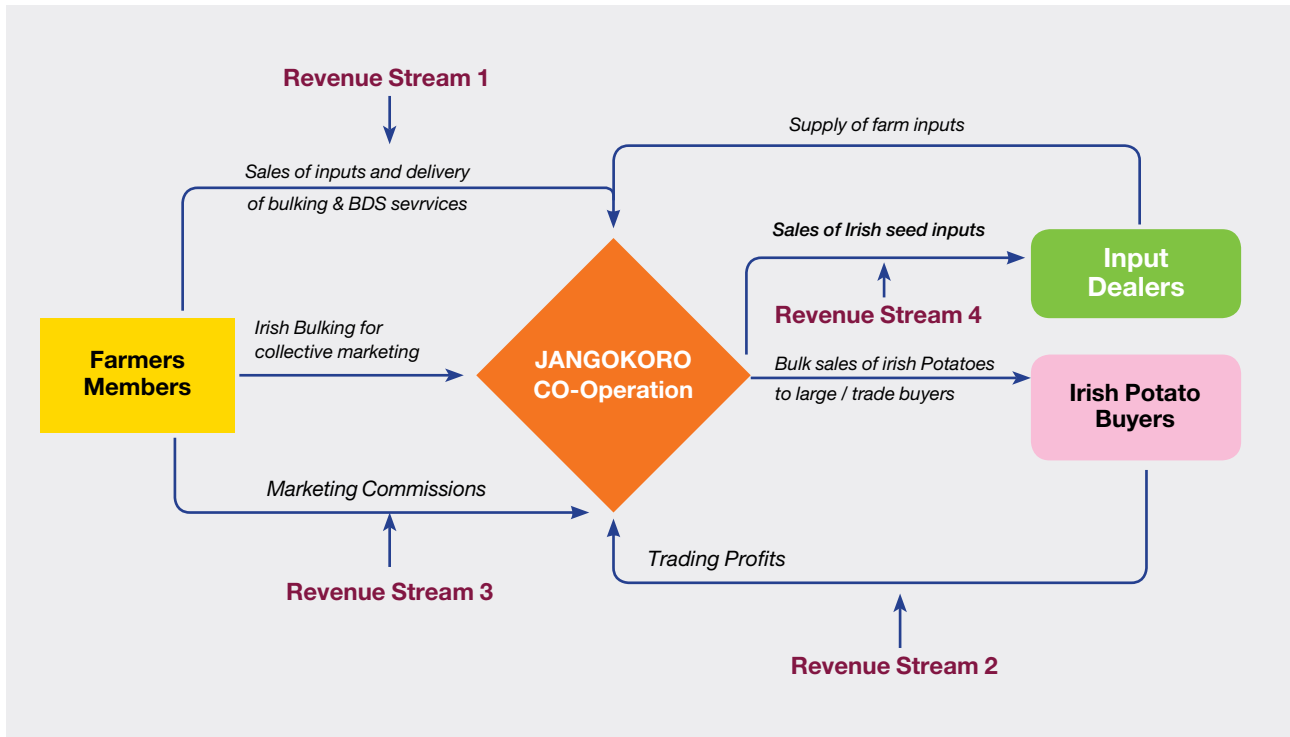
The Co-operatives revenues streams are generated through our marketing activities which include trading in Irish ware potatoes, Irish seed Potato, sale of farm inputs to farmers and Irish seed to Input dealers and delivery of collective marketing and BDS services to members.

b) Planned Location for Reaching out to the Customers:

The proximity of the Cooperative close to Awasi main market on the border with the Democratic Republic of Congo provide a key outlet through which the Irish potato and other products of the cooperative will be sold to the bulk buyers and other small buyers. The products will be packed in bags or sacks of 100kg according to prevailing market standards and demand. Besides the physical commodities the cooperative will also deliver the following services on site; Marketing of members' produce at the best market price

- Providing storage facilities for bulked produce
- Linkage to extension services in Post-Harvest Handling
- Linkage to financial services
- Provision of business development support services to members

The Cooperation route to Market Showing Revenue streams



0.5 PRODUCTION, AGGREGATION & SALES PLAN



Table 2: Sales Projections

Production Plan for Irish Potato	Projection Period					
	Year I-2023 Seasons		Year II-2024 Season		Year III-2025 Season	
	A	B	A	B	A	B
No. of Farmers	307	307	350	350	400	400
Acreage Per Farmer	0.5	0.5	0.5	0.5	1.0	1.0
Output/Acre-Bags	0	08	12	12	12	12
Prices @ Bag	120,000	120,000	140,000	140,000	140,000	140,000
Expected Out-put-Bags	0	1,228	2,100	2,100	4,800	4,800
Aggregation Plan %	0	50	55	55	60	60
Aggregated Out-put-Bags/Sacks	0	614	1,155	1,155	2,880	2,880
Sales Projection	0	73,680,000	161,700,000	161,700,000	403,200,000	403,200,000

Note: The number of farmers/members getting engaged in Irish Potato production will keep on increasing with time and so is the Yield per Acre as members continues to get more Training in Good Agronomic Practices and the Markets become more reliable.

5.1 Pricing Strategy

The cooperative will adopt a cost plus mark-up and premium pricing strategy. The bulking of services and marketing commodities will be basis of premium on the cost-plus market up price. According to the different Customer segment, the Cooperative has designed different pricings for the three major buyers by grading the Irish potatoes as seen in the table;

Grades	Product description	Customer category	Prices
Grade A	<ul style="list-style-type: none"> ➤ These are assorted first class High value Irish Potatoes picked fresh from the plantation free from inorganic substance like chemical. ➤ Packed in special packing bags of 100kg; well labeled and marked with quality assurance marks of Uganda 	<ul style="list-style-type: none"> ➤ Supermarkets ➤ Demonstration farms ➤ Foreign (Exports markets) 	10-15% above normal Cooperative set price
Grade B	<ul style="list-style-type: none"> ➤ Second class High value Irish Potatoes picked fresh from the plantation free from inorganic substance like chemical. ➤ Packed in special packing bags of 100, 50, 25kg bags well labeled and marked without quality assurance marks 	<ul style="list-style-type: none"> ➤ Local Market within the region of Uganda ➤ Institution like Schools, Government offices, local markets and private customer 	5-8% above normal price
Grade C	<ul style="list-style-type: none"> ➤ Assorted third and last class; high value Irish Potatoes from the plantation free from inorganic substance like chemical. ➤ These are not packed but are kept at the Stores ready for marketing 	<ul style="list-style-type: none"> ➤ Community of Jangokoro, nearby consumers and those from district around ➤ Local event organizers ➤ Household, families etc 	Sold at normal prices

Note: The grading above in itself is a Pricing tool to classify and attracts and customers based on their demand. Therefore, the Cooperative in addition to the above shall adopt the following approach;

- i. Offering after sales services like free transport to their customers who purchase in bulk within the region of greater Nebbi
- ii. Organizing/ participating in trade exhibitions to market their quality Irish Potato
- iii. Free trainings to internees on modern Agronomic practices
- iv. Quality Assurance through constant supply of same and better quality Irish Potatoes that meet Money value
- v. Adopting standard measures; use of the national/internationally acceptable scale

Premium prices for the various services and commodities traded will be charged on the basis of the following percentages;

Product	Market Price			Negotiated Price			% above market price		
Year	2023	2024	2025	2023	2024	2025	2023	2024	2025
Irish Potato	2,000	2,500	3,000	2,200	3,000	3,500	10%	20%	16.7%
Sales Commissions	10%	10%	10%	10%	10%	10%	10%	10%	10%

Projected prices; for Irish Potato, prices and price differences are based on the previous markets season price movements and differences, the following are the projected sales price

Sales Prices	Year 1 (2023)		Year 2 (2024)		Year 3 (2025)	
	@Kg	@Sack	@Kg	@Sack	@Kg	@Sack
Irish Potato (Food)	2,200	120,000	3,000	140,000	3,500	140,000
Irish Potato (Seeds)	40,000		45,000		50,000	

As stated, the Cooperative will only recover operation expenses and pass most of revenue to farmers to maintain the advantage and any surplus will be given back to farmers through the decisions of the AGM as either Bonus or Dividends

Payment Prices	Year 1 (2023)		Year 2 (2024)		Year 3 (2025)	
	@Kg	@Sack	@Kg	@Sack	@Kg	@Sack
Irish Potato (Food)	2,000	120,000	2,500	140,000	3,000	140,000
Irish Potato (Seeds)	40,000		45,000		50,000	

5.2. Promotional Plan

The Cooperatives promotion and market engagement or communication approach will be to inform and attracting the Customers to buy from and use the services of the cooperative. The following promotional means for informing and attracting Customers will be employed;

Means/Strategies	Cost of using in (UGX)			
	Year 2023	Year 2024	Year 2025	TOTAL
Attractive displays and good packaging	50,000	70,000	100,000	220,000
Health and Safety	100,000	100,000	100,000	300,000
Using sign posts	350,000			350,000
Giving hand-outs and posters/brochures	50,000	100,000	150,000	300,000
Using radio	150,000	150,000	150,000	450,000
Social Media like WhatsApp, Facebook	150,000	200,000	250,000	600,000
Meetings/workshops	350,000	400,000	500,000	1,250,000
TOTAL	1,200,000	1,020,000	1,250,000	3,480,000

5.3 The People

People are the most important component of our marketing mix; at the center of the people component are the members and farmers who form the core of our supply chain in the production of Irish Potato. On the other hand, they are the staff and community workers who offer and deliver services. We will build through our recruitment, loyalty and retention strategy strong and long-term commitment from our members and staff with support from community facilitators. Our commitment building strategy will focus on the following;

- 1. Delivering a guaranteed market for the products from our farmers***
- 2. Increasing profitability and money investment and reinvestments among our members for the benefit of the entire Community***
- 3. Delivering life-time value through sustainable cross-generational participation by building a going concern Cooperative.***
- 4. Increase access to affordable inputs, Credit and technology by lowering or eliminating systemic barriers faced by members working as individuals through collective processes.***

0.6 HUMAN RESOURCE / MANAGEMENT PLAN



The Cooperative has planned to put in place a lean Team of Management Staff to support Bulking and Marketing and provide market intelligence to the leadership on areas of Business Management. The management team is vital in contributing to the Business long term prosperity, however in the absence of employed staff for the start, the experience of the bulking and marketing committee shall handle the management of key commodities, directions and the targets the Cooperative has to achieve.

The Cooperative thus, intends to start with a lean structure of Management Staff and as the Business volumes increase more personnel would be employed as and when the need arises. So, the Cooperative has plan to hire a Manager, Production officer and an Accounts Assistant who will be responsible for Accounts and Administrative functions at the Office, ensuring that all assets are in place, safe, well utilized and handled, while members shall continue to access Training in Good Agronomic Practices through Production/Extension Officer. The Security guards shall be hired during Bulking and Marketing Period only for the start. However, when the Business picks up, the Cooperative will hire an additional Officer to support the Manager in Stores Management and Marketing duties.

This Section analyses the financial requirement and feasibility of the adopted Business Model. Being a Cooperative Business,



0.7 FINANCIAL PLAN



whose main motive is not profit maximization but rather maximization of member's farm returns, so in this Section the financial resources required to deliver the value proposition to members and the customers are analyzed and the sources of finances discussed in line with the intended objective and feasibility outlined in the Business Model.

7.1. Financial Analysis/Assumptions

The following assumptions have been made with respect to the Financial Projections: -

- The Business Plan focuses on one major Enterprise-Irish Potato identified by the Cooperative Members and two other Supplementary Enterprises; Coffee and Beans, with a possibility of doing Irish Potato Seed Multiplication to boost on production of the enterprise as well as adopting the improved Technology to help farmers in increasing Production and Productivity.
- The Financial Year shall run from January to December as per the Cooperative Bye-Laws.
- There may be some differences in the actual market scenario given that conservative approach was used for gathering data from farmers. Financial figures projected may not be exactly or actuals on the ground.
- All revenues from sales of major crops is distributed to the farmers after deducting the Cooperative Management costs (including Salaries/Wages, direct costs, variable costs and indirect costs) and sales commissions at an predetermined rate (10%).
- All monetary figures and values are in Uganda Shillings (UGX)
- Earnings from Business Units other revenue streams are introduced at net incomes.

7.2. Income Options

The Cooperative major source is Irish Potato as both as food and seeds; however, the Cooperative has some other sources of income generation like rent of plastic chairs, trade in Papyrus mats and in their medium term, soft loans shall be extended to members from where the Cooperative shall earn Interest, retained commission from sales of farmer produce, charging entrance fees for new members, Share Capital contributions and Annual Subscriptions.

There may be Supplementary sources of funds in form of Grants from Government or Donations from Development Partners especially targeting the vulnerable groups like women, youth and people with disabilities to supplement or subsidize the internal resources mobilized by the Cooperative.

7.3. Direct Costs

Direct costs are those costs which relate to handling of produce at the Cooperative level and are a function of quantities traded in, most of the costs are directly borne by the farmer or the buyer, but the main costs to be borne by the Cooperative are the following;

- Collection from group members, sorting, grading and weighing and acquiring bags, and repackaging and loading of produce.

These costs are based on number of bags and the volume of the produce each bag can carry, at whole prices measured in bags of 100kg. Transport cost and other direct costs are as indicated in the Table below;

Crop	Activity	2023	2024	2025
Irish Potato	Harvesting and Sorting @ bag	1,500	2,000	2,500
	Packaging & Stitching @ bag	500	500	500
	Loading & Off-loading@ bag	500	500	500
	Stores management @ bag	300	300	300

7.4. Resources needed for starting or doing the Business as outlined in the Business Plan (CAPITAL BUDGET)

Item	Quantity	Unit Cost	Total Amount	Source of financing		Comment
				Internal	External	
Produce Store/Office			1,200,000		✓	Rent for 1 year
Weighing Scales	2	250,000	500,000			
Tarpaulins	20	40,000	800,000	✓	✓	
Tri-Cycle	2	10,000,000	20,000,000		✓	
Fuel/maintenance	12 months	500,000	6,000,000		✓	
Moisture Meters	01	3,000,000	3,000,000		✓	
Money Safe	01	900,000	900,000		✓	
Furniture and Fittings			500,000	✓	✓	Cost Sharing
In-put shop	Lump sum		3,000,000		✓	Donated
In-put Shop operating expenses	12 months		1,140,000		✓	
Cash Working Capital	Lump sum		75,000,000		✓	Top up on Share capital
Packaging and Marketing Materials; Green Labels and Chemicals for Seed Treatment-QDS, etc.	Lump sum		2,000,000			External
Total			114,040,000			

7.5 Credit Facilities

Some registered groups like SACCOs usually apply to Microfinance institutions to support in produce buying or engaging in produce marketing under specialized programs and/or Government Programs like the Parish Development model (PDM), the Emyooga and others. These are some of the opportunities the Cooperative could grab to supplement their business operations. Such Loan facility bridges the liquidity gaps identified by management of such Cooperative.

The loan facility is a Medium-term Loan payable within two-year period and the terms and conditions would be affordable for the Cooperative. Microfinance Support Centre Limited has special product for agricultural financing to market agricultural produce for the benefit of farmers, more so Cooperative members. Interests are serviced monthly following a grace period of three months, while installment payments of Principle are negotiated accordingly.

7.6 Projected Cash Flow Statements

This Section summarizes the Cash Flow Projections for Jangokoro United Farmers' Cooperative Society Ltd for the three-year period-2023-2025. The beginning of the year January 2023 is still the peak period for sale of produce. Most Cooperatives, especially the Primary Producer Cooperatives lack Stores hence they farmers/members store individually at farm level. The Cooperative is now to take over marketing of produce on behalf of her members and the intended beneficiaries. The loan facility from MSC is likely to boost the meager internal resources available to build the start-up capital and support liquidity management within the Cooperative especially during the start of their first season.

The Cooperative is expected to stagger the sales revenue income during January, July, November and December to match up production costs during the first Season in February, March and April, and the second Season production costs in August, September, October and November. The Cash inflows will match the Cash outflows accordingly. It is likely that the marketing arrangements will supplement projected volumes and generate income along the main trading activity. As the Cooperative diversifies to include more Enterprises, this will add more incomes to existing sources like commission and fees. All these will make them get stable over time, notwithstanding some of the micro and macro-economic variables like inflation, price fluctuation, and fiscal and monetary policies.

Cash Flow for Year 1, 2 and 3:

Income Source	Rate	Year 1		Year 2		Year 3		Comment
		Unit		Unit		Unit		
Membership Fees	5,000	307	1,535,000	350	1,750,000	400	2,000,000	10 Farmer Gps
Share Capital	10,000	307	3,070,000	350	3,500,000	400	4,000,000	
Annual Subscriptions	12,000	307	3,684,000	350	4,200,000	400	4,800,000	
Sales Commission (10%)			7,368,000		32,340,000		80,640,000	Seasonally
Irish Potato Revenue		120,000	73,680,000	140,000	323,400,000	140,000	806,400,000	
Inputs Earning (Irish Seeds)	40,000	50	2,000,000	45,000	2,250,000	50,000	2,500,000	50 Farmers Annually
Internal Financing	0		0		2,661,000		2,661,000	Quarterly
Donation/Grants	0		0		27,500,000		27,500,000	Quarterly
Total Income/ Inflows			91,337,000		398,041,000		930,501,000	
Expenses								
Land Acquisition	1,500,000	5 Acres	7,500,000	0	0	0	0	Members' contribution
Committee Meetings & Travels	300,000		1,200,000	350,000	1,400,000	350,000	1,400,000	Quarterly
Mobilization/ Sensitization	200,000	-	800,000	250,000	1,000,000	250,000	1,000,000	Quarterly
Manager	300,000	-	3,600,000	350,000	4,200,000	400,000	4,800,000	Monthly
Production Officer	250,000	-	3,000,000	300,000	3,600,000	350,000	4,200,000	Monthly
Accounts Assistant	250,000	-	3,000,000	300,000	3,600,000	350,000	4,200,000	Monthly
Sales man/ Store Keeper	150,000	-	1,800,000	200,000	2,400,000	250,000	3,000,000	Monthly
Office Assistant	100,000	-	1,200,000	150,000	1,800,000	200,000	2,400,000	Monthly
Security	50,000	-	600,000	80,000	960,000	100,000	1,200,000	Monthly
Stationery Supplies	60,000	-	1,440,000	80,000	960,000	100,000	1,200,000	Monthly
AGM Expenses	1,500,000	-	1,500,000	-	2,000,000	-	2,000,000	Annually
Bank Charges	8,000	-	96,000	8,000	96,000	8,000	96,000	Monthly
Total Out Flows			25,736,000	2,068,000	22,016,000	2,358,000	25,496,000	

JANGOKORO UNITED FARMERS COOPERATIVE SOCIETY LTD

WORKPLAN FOR THE YEAR 2023

Key Activities	Expected Outcome	Time frame	Responsible person
<ul style="list-style-type: none"> Mobilization and sensitization of farmers at Group level 	<ul style="list-style-type: none"> All member farmers in the Groups aware of the new structure, roles/responsibilities and Co-op. production and marketing plans. 	June-July 2023	<ul style="list-style-type: none"> Leaders
<ul style="list-style-type: none"> Organize training and capacity building of Co-operative leaders 	<ul style="list-style-type: none"> Good level of understanding of the Cooperative model, roles and responsibilities in managing the Co-operative business 	July and October 2023	<ul style="list-style-type: none"> Elected Board and Committee members
<ul style="list-style-type: none"> Radio talk show 	<ul style="list-style-type: none"> Improved awareness of the Co-operative products and services, purpose for existence 	July and September 2023	<ul style="list-style-type: none"> DCO/DPO Zombo and Board Leaders
<ul style="list-style-type: none"> Banks and financial institutions 	<ul style="list-style-type: none"> Active business relationship for potential business financing and Linkage banking 	July-Dec 2023	<ul style="list-style-type: none"> Chairperson Board and Treasurer Elected board committee members Secretary and Chairperson Production and Marketing Committees
<ul style="list-style-type: none"> Prepare and submit/file returns to the Registrar of Cooperatives Kampala for confirmation 	<ul style="list-style-type: none"> Accountability to the Cooperative members and the Registrar of Co-operatives Renewed certificate and confirmation 	March/April 2024	
<ul style="list-style-type: none"> Input suppliers and Produce buyers engagements 	<ul style="list-style-type: none"> Secure inputs supply and output produce markets for the member farmers, sign MOU 	June/July 2023	
<ul style="list-style-type: none"> Resource mobilization- Internal Revenue and Lobbying for External Support 	<ul style="list-style-type: none"> Raise enough working capital to deliver on the Cooperative mandate 	Throughout the year 2023	<ul style="list-style-type: none"> Finance Committee and the Board
<ul style="list-style-type: none"> Board meetings 	<ul style="list-style-type: none"> Streamline operations and service delivery. 	Monthly	<ul style="list-style-type: none"> Board and Committees
<ul style="list-style-type: none"> Mobilization for collective and Bulk Marketing 	<ul style="list-style-type: none"> Raise volumes for collective marketing 	June/July, Oct/ Nov 2023	<ul style="list-style-type: none"> Production and Marketing Committee
<ul style="list-style-type: none"> Business plan implementation and Follow-ups 	<ul style="list-style-type: none"> Ensuring the operation of the Cooperative core business 	July-Dec 2023 and Continuous	<ul style="list-style-type: none"> Board, Committee, and management



ANNEX I : THREE YEARS CAPITAL INVESTMENT PLAN

ITEM	YEAR (2023)	YEAR (2024)	YEAR (2025)
Land Acquisition	7,500,000	-	-
Office furniture and fittings	500,000	-	-
Money for safe	900,000	-	-
Weighing Scales	500,000	-	-
Tarpaulins	800,000	-	-
Moisture meters	3,000,000	-	-
Post Harvest Management Equipment	4,300,000	-	-
Working Capital Financing	-	55,000,000	45,000,000
In-put shop	-	3,000,000	-
TOTAL	17,500,000	58,000,000	45,000,000

PRODUCTION PLANNING	YEAR (2023)	YEAR (2024)	YEAR (2025)
Irish Potato Food (Bags)	614	2,310	5,160
Irish Potato Input Seeds (basin)	50	50	50
SALES REVENUE			
Irish Potato Food (Bags)	73,680,000	323,400,000	806,400,000
Irish Potato Input Seeds (basin)	2,000,000	2,000,000	2,000,000
TOTAL SALES	73,680,000	325,400,000	808,400,000

INCOME STATEMENT			
Projected sales	73,680,000	323,400,000	806,400,000
Project Cost of Sales	2,947,200	8,316,000	39,216,000
Gross Income	70,732,800	315,084,000	767,184,000

OPERATING EXPENSES			
Personnel costs	3,450,000	1,100,000	1,100,000
Attractive displays	50,000	70,000	100,000
Washing and cleaning Irish potato	767,500	1,500,000	5,500,000
Good packaging	767,500	1,500,000	5,500,000
Packaging & Stitching	2,302,500	6,000,000	27,500,000
Harvesting and Sorting	767,500	1,500,000	5,500,000
Loading & Off-loading	767,500	1,500,000	5,500,000
Stores management	460,500	900,000	3,300,000
Health and Safety	100,000	100,000	100,000
Using sign posts	350,000	-	-
Giving hand-outs and posters/brochures	50,000	100,000	150,000
Using radio	150,000	150,000	150,000
Social Media like WhatsApp, Facebook	150,000	200,000	250,000

Payment to Farmers	66,312,000	291,060,000	725,760,000
Marketing Costs/Expenses	0	10,940,000	10,940,000
NET REVENUES FROM INVESTMENT OPERATIONS	(4,420,800)	328,720,000	803,450,000
Financing and interest expenses	0	0	0
NET INCOMES AFTER FINANCING EXPENSES	(4,420,800)		2,950,000

PROJECTED CASHFLOW STATEMENT			
OPENING BALANCE	-		
CASH INFLOWS	0		
Sales Revenues	73,680,000	303,400,000	806,400,000
Total Sales Revenues	73,680,000	323,400,000	806,400,000

Financing activities			
Internal financing	0	10,664,000	30,000,000
External Financing	0	55,000,000	45,000,000
Total Financing Inflow	0	65,664,000	75,000,000
TOTAL CASH INFLOWS	73,680,000	388,400,000	881,400,000

ANNEX II: CASH FLOW STATEMENTS

INVESTMENT ACTIVITIES

Land acquisition	7,500,000	-	-
Working Capital Financing	-	50,000,000	75,000,000
Weighing Scales	500,000	-	500,000
Tarpaulins	800,000	400,000	800,000
Moisture meters	3,000,000	-	3,000,000
Total Investment Costs	11,800,000	50,400,000	79,300,000

Operating Expenses			
Personnel costs	575,000	1,100,000	1,100,000
Committee Meetings & Travels	-	1,200,000	1,200,000
Input Shop operating expenses	3,000,000	3,000,000	3,000,000
Payment to Farmers	66,312,000	136,530,000	362,880,000
Marketing Costs	10,940,000	26,976,000	27,476,000
Furniture and fittings	500,000	1,000,000	1,500,000
Office Rent	1,440,000	1,440,000	1,440,000
Tri-Cycle fuel and maintenance expenses	6,000,000	6,000,000	6,000,000
Mobilization and Sensitization	-	800,000	800,000
Stationery and Other Supplies	-	240,000	240,000
Bank Charges	-	96,000	96,000
Sub-Total Expenses	88,767,000	168,382,000	405,732,000
Total Cash Outflows	100,567,000	218,782,000	485,032,000
CASH BALANCE AT END OF PERIOD	(26,887,000)	169,618,000	396,368,000

ANNEX III: COMPOSITION OF THE BOARD OF DIRECTORS/COMMITTEES

Name	Title	Sex	NIN Number	Signature
Ukadha Muhamad	Board Chairperson	M		
Openytha Selsio	Vice-chairperson	M		
Olarboth Geoffrey	Board Secretary	M		
Pimer Jennifer	Board Treasurer	F		
Unyuthpirwoth David	Committee member	M		
Ngabirombo Dominic	Committee member	M		
Canongio Geoffrey	Committee member	M		
Aromborach Athwanet	Committee member	F		
Nimungu Godfred	AFARD Staff	M		

This Business Plan has been discussed, reviewed and Drawn by the Board/Committee of JANGOKORO UNITED FARMERS Co-operative Society this day of 2023 and awaits Approval by the GENERAL ASSEMBLY (AGM)

