



شركة البرق للمقاولات ذم م

AL BARQ CONTRACTING, LLC

A Sustainable Agriculture and Livestock Project Proposal in Egypt

250 Acres Land Property & 1000 Cattle Heads

Initial Cost of Investment (ICI) is \$3,749,300.00

Business Plan (00) Dated On: May 9, 2022

1. Industry Overview

The agricultural industry of which livestock farming is a subset of is no doubt among the leading industry in most countries of the world; it is the industry that produces food for the populace and raw materials for industries.

Because of the significant role the agriculture sector plays, the Egyptian government ensures that they go all the way to subsidize seedlings, fertilizers, farming implements and machinery for farmers and also encourage entrepreneurs to go into various kind of farming including cattle rearing.

The Beef Cattle Farming industry is indeed a large industry and pretty much active in countries such as Egypt. There is no single livestock farming company that has dominate market share in the industry hence smaller cattle rearing business can successfully make profits.

If you are looking towards leveraging on the agriculture industry to generate huge income, then one of your best bet is to start cattle rearing business. Cattle rearing business is all about mass – breeding of cattle calves for the sole aim of making profits. In most cases it is referred to as livestock farming business.

One thing is certain about cattle rearing business, if you are able to conduct your market research and feasibility studies, you are more likely not going to struggle to sell your cattle and its products because there are loads of people out there eat beef and get benefits from industries that make use of byproducts from cattle in manufacturing their products.

2. Executive Summary

Al Barq Contracting, LLC is a registered and licensed company that is based in Cairo-Egypt. We have done our market research and feasibility studies and we will be able to secure 250 acres of land to be cultivated and prepared to start our cattle ranching business.

We are in the cattle ranching business because we want to leverage on the vast opportunities available in the livestock farming industry, to contribute our quota in growing the Egyptian economy, in national food (meat) production, raw materials production for industries, export agricultural products (forage crops) from Egypt to other countries and surely to make profit.

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In response to Egypt's growing needs for forage crops and beef fresh meat and by following the general terms of The Egyptian Countryside Development Company ECDC, our sustainable agriculture and cattle rearing project will potentially be established on a 250-acres land property in one of the new virgin areas that have been announced by ECDC where rich soil and suitable underground water are available.

The irrigation system will be implemented by drilling two 350-meter deep underground water wells with 80-Kw solar power energy system each, to operate two 80-Hp submersible pumping units to feed two central pivot sprinkler systems, each one for irrigating 100-acre with a total cultivated area 200-acre out of the 250-acres property.

Out of the 250-acre property, 200-acre will be reclaimed and cultivated with vital forage crops such as alfalfa, panicum, maize, soybeans, barley and wheat, where those crops can provide protein, energy, minerals, hay and fibers to cattle herd.

The remaining 50-acre will be used for access roads, infrastructure, feedlot facilities and future extension.

The produced forage from 100-acres of the cultivated area will be enough for fodding a cattle herd of 1000 calves, while the produced forage from the other cultivated 100-acres will be sold in the local market. The by-product manures of 1000-calves will be removed, utilized and sold as natural fertilizers

1000-calves will be purchased at average weight of 200-kg each and been fed for a ranching round of 6 months until each calf gains additional 250-kg and reaches the minimum target weight of 450-kg each. Thus, the herd will be ready for selling to livestock traders and another new herd of 1000-calves would be purchased and been fed for another ranching round of 6 months, and so on

Project establishment, deep wells drilling, land reclamation and irrigation systems installation will take 6 months time (Phase 1), then followed by 6 months for planting seeds and harvesting the forage crops to get ready for receiving the cattle (Phase 2), then followed by another 6 months to rear the cattle (Phase 3). Thus, the project's main income from selling the cattle will accordingly begin after 18 months from project launching date, while early income from selling forage crops and cattle manures may exist after 12 months from project launching date.

3. Our Products and Services

Al Barq Company, LLC is committed to cattle rearing for beef production. We will also produce related byproducts as cattle manures and forage crops in commercial quantities.

These are the areas we will concentrate on in our livestock farming business. If need arises, we will definitely add more related services to following list:

- Sale of fattened beef calves for livestock traders, slaughterhouses, butchers and meat processing plants for populace food service.

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- Sale of forage crops products, alfalfa, straw, soybeans and corn silage for livestock fodder service.
- Sale of cattle manures byproduct for organic fertilizing service.

4. Our Vision and Mission Statement

- Our Vision is to become one of the leading cattle rearing business brands in Egypt.
- Our mission is to sell our produced fattened beef calves, forage crops and manures byproducts in commercial quantities.
- We want to build a cattle rearing business that can favorably compete with other leading livestock brands in Egypt.

5. Our Business Structure

Al Barq Company, LLC as a cattle rearing company that intend starting small, but hope to grow big in order to compete favorably with the leading cattle rearing and livestock farms in Egypt

We are aware of the importance of building a solid business structure that can support the picture of the kind of world class business we want to own. This is why we are committed to hire the best skilled hands.

Al Barq Company, LLC, will ensure that we hire people that are qualified, hardworking, dedicated, customer centric and are ready to work to help us build a prosperous business that will benefit all the proprietors.

As a matter of fact, profit-sharing arrangement will be made available to all our senior management staff and it will be based on their performance for a period of five years or more as agreed by the management of the farm. In view of the above, we have decided to hire qualified and competent hands to occupy the following positions.

Below is the managing structure of Al Barq Company, LLC:

- Managing Director
- Operating Manager
- Technical Engineer
- General Farm Site Manager
- Procurement/Sales/Financial Managers
- Administrator/Accountant
- Veterinarian
- Agriculture Manager
- Cattle Ranch Manager
- Sales and Marketing representatives
- Field Employees
- Front Desk Officer

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6. SWOT Analysis

Al Barq Co., LLC do not intend to launch out with trial and error hence the need to conduct a proper SWOT analysis. We know that if we get it right from the onset, we would have succeeded in creating the foundation that will help us build a standard cattle rearing business that will favorably compete with leading cattle rearing/livestock farms in Egypt.

As a cattle rearing business, we look forward to maximizing our strength and opportunities and also to work around our weaknesses and threats. Here is a summary from the result of the SWOT analysis that was conducted on behalf of Al Barq Company, LLC

Strength:

Our strength as a cattle rearing business is the fact that we will have healthy relationships with loads of major players as agricultural merchants in the livestock farming industry, both suppliers and buyers.

We will have some of the latest cattle rearing machines; tools and equipment that will help us breed our cattle calves in commercial quantities with less stress.

Weakness:

Our weakness could be that we are a new cattle rearing business in Egypt and we may not have the required cash to pump into the publicity of our business. We are aware of this and from our projection will overcome this weakness with time and turn it to a major advantage for the business.

Opportunities:

The options that are accessible to us cannot be quantified, we know that there are a lot of small cattle ranchers and homestead farmers who will supply beef calves in small quantities, but our commercial production of beef calves fed on our own forage crops would place us in a favorable market position..

Threat:

Some of the threats and challenges that you are likely going to face when you start your own cattle rearing are global economic downturn that can impact negatively on household spending, bad weather cum natural disasters (draughts, epidemics), unfavorable government policies and the arrival of a competitor (a commercial farm that rear same animals) as our cattle ranch within same location.

There is hardly anything you can do as regards this threats and challenges other than to be optimistic that things will continue to work for your good.

7. MARKET ANALYSIS

Market Trends



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One of the common trends in the commercial cattle rearing or livestock farming line of business is that most players in the industry are no longer concentrating only on farming a particular species of livestock or just livestock / cattle farming alone.

They now find it easier to run both livestock farming and crop cultivation. Some even go ahead to include meat and milk processing and packaging business alongside their product offerings; it helps them maximize profits in the agriculture industry.

Despite the fact that commercial cattle rearing/livestock farming has been in existence since time immemorial, that does not in any way make the industry to be over saturated; commercial cattle farmers are exploring new technology to continue to improve cattle rearing processes.

The fact that there is always a ready market for livestock business makes the business ever promising. As a matter of fact, one of the new trends in livestock farming industry is that with the recent advancement in technology livestock farmers can now improve the various breeds of the animals they are breeding.

As a matter of fact, it is now easier for livestock farmers to comfortably import the kind of animals they want to breed from any country of their choice and also advancement in technology has made it easier to cross – breed different animal.

8. Our Target Market

Every household consumes produce from livestock farms, be it meat and the skin (leather) used for bags, belts and shoes production et al. So also a large chunk of manufacturing companies depends on livestock farms for some of their raw materials. In essence a cattle farmer should be able to sell his farm produce to as many people as possible.

Our competitive advantage

It is easier to find entrepreneur flocking towards an industry that is known to generate consistent income which is why there are more cattle ranches in Egypt, and of course in most parts of the world.

As a matter of fact, entrepreneurs are encouraged by the Egyptian government to embrace commercial farming / livestock farming. This is so because part of the success of any nation is its ability to produce its own food and also export foods to other nations of the world.

Al Barq Company, LLC is fully aware that there are competitions when it comes to selling livestock and meats, which is why we decided to carry out through research so as to know how to take advantage of the available market in Egypt.

We have done our homework and we have been able to highlight some factors that will give us competitive advantage in the marketplace; some of the factors are effective and reliable livestock farming processes that can help us sell our fattened beef calves at competitive prices, good marketing network and excellent relationship management.

Another competitive advantage that we are bringing to the industry is the fact that we have designed our business in such a way that we will operate an all – round standard commercial livestock farms that will be involved in diverse areas such as animal rearing and forage crops



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cultivation. With this, we will be able to take advantage of all the available opportunities within the industry.

Lastly, our employees will be well taken care of, and their welfare package will be amongst the best in the industry meaning that they will be more than willing to build the business with us and help deliver our set goals and achieve all our objectives as a standard commercial cattle rearing business.

9. SALES AND MARKETING STRATEGY

Sources of Income

Al Barq Company, LLC is in the livestock breeding industry for the purpose of maximizing profits hence we have decided to explore all the available opportunities within the industry to achieve our corporate goals and objectives.

In essence we are not going to rely only on the sale of our livestock to generate income for the business.

Below are the sources we intend exploring to generate income:

- Sale of fattened beef calves to livestock traders, slaughterhouses, butchers and meat processing plants for the provision of man food.
- Sale of forage crops products such as alfalfa, straw, soybeans, corn and silage for the provision of livestock fodder.
- Sale of cattle manures for organic fertilization.

10. Sales Forecast

From the survey conducted, we were able to discover that the sales generated by a commercial livestock farm /cattle rearing business depends on the size of the ranch and the sales/marketing network of the business.

We have perfected our sales and marketing strategies and we are set to hit the ground running and we are quite optimistic that we will meet or even surpass our set sales target of generating enough income / profits from the year of operations and build the business from survival to sustainability.

We have been able to critically examine the cattle rearing industry cum commercial livestock farm business and we have analyzed our chances in the industry and we have been able to come up with the following sales forecast:

The sales projection is based on information gathered on the field and some workable assumptions as well with respect to the nature of cattle rearing business that we will run.

Below are the projections that we were able to come up with for the first three years of running:

First Fiscal Year-: \$2,000,000

Second Fiscal Year-: \$2,500,000

Third Fiscal Year-: \$3,000,000



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N.B: This projection is done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown that can impact negatively on household spending or bad weather, natural disasters and epidemics.

Marketing Strategy and Sales Strategy

We are quite aware that the reason why some commercial livestock farms hardly make good profits is their inability to sell off their livestock to a larger market. In view of that, we decided to sell fattened beef calves for livestock traders, slaughterhouses, butchers and meat processing plants to enlarge sales and maximize profits.

Over and above, we have perfected our sale and marketing strategies first by networking with agriculture merchants and companies that rely on raw materials from the livestock farming industry who are likely become our customers.

In summary, Al Barq Company, LLC will adopt the following strategies in marketing the cattle rearing produce:

- Introduce our business by sending introductory letters alongside our brochure to stake holders in the agriculture industry, companies that rely on the livestock farming industry for their raw materials, hotels and restaurants and agriculture produce merchant etc.
- Advertise our business and livestock farms in agro – allied and food related magazines and websites.
- List our commercial livestock farms on yellow pages ads (local directories)
- Attend related agriculture and food expos, seminars, and business fairs etc.
- Leverage on the internet to promote our business.
- Engage in direct marketing.
- Opening of an outlet for retail sales inside farm.

11. Publicity and Advertising Strategy

Any business that wants to grow beyond the corner of the street or the city they are operating from must be ready and willing to utilize every available means (conventional and non – conventional means) to advertise and promote the business. We intend growing our business which is why we have perfected plans to build our brand via every available means.

We know that it is important to create strategies that will help us boost our brand awareness and to create a corporate identity for our cattle rearing business.

Below are the platforms we want to leverage on to boost our cattle rearing brand and to promote and advertise our business:

- Place adverts on both print (newspapers and magazines) and electronic media platforms.
- Sponsor relevant community based events / programs.
- Leverage on the internet and social media platforms like; Instagram, Facebook , Twitter, YouTube, Google + etc. to promote our business.



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- Install our billboards on strategic locations all around.
- Engage in promotional campaign from time to time in targeted neighborhoods.
- Distribute fliers and brochures in target areas.
- Contact corporate organizations and residences in our target areas by calling them up and informing them of the farm produce we sell.
- Listing our commercial livestock farm in local directories / yellow pages.
- Advertise our commercial cattle ranch in our official website and employ strategies that will help us pull traffic to the site.
- Ensure that all our staff members wear our branded shirts and all our vehicles and trucks are well branded with our company logo etc.

12. Our Pricing Strategy

Some of the factors that will help you sell your farm produce at the right price that will guarantee that you make profits is dependent on your strategy while some of the factors are beyond your control. For example, if the climatic condition is unfavorable and if there is natural disaster in the location where you have your commercial livestock farm, then it will directly affect the prices of your livestock.

Over and above, if you want to get the right pricing for your livestock, then you should ensure choosing a good location for cattle ranch, choosing a good breed that will guarantee steady and prolific breeds, cutting the cost of running the farm to the barest minimum and of course trying as much as possible to attract buyers to farm as against taking livestock or farm produce to the market to source for buyers. With this, you would have successfully eliminate the cost of transporting the goods to the market and other logistics.

We are quite aware that one of the easiest means of penetrating the market and acquiring loads of customers for all our cattle rearing produce is to sell them at competitive prices hence we will do all we can to ensure that the prices of our livestock are going to be what other commercial livestock farmers would look towards price beating.

One thing is certain; the nature of cattle rearing business we are involved in makes it possible for farmers to place prices for their livestock/farm products based on their discretion without following the benchmark in the industry. The truth is that it is one of the means of avoiding running into loss. The easier you sell off your livestock when they are mature the better for your business.

Payment Options

The adopted payment policy will be all inclusive, because we are quite aware that different customers prefer different payment options as it suits them but at the same time, we will ensure that we abide by the financial rules and regulation of Egypt.

Here are the payment options that Al Barq Company, LLC will make available to their clients:

- Payment via bank transfer



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- Payment with cash
- Payment via online bank transfer
- Payment via check
- Payment via bank draft

In view of the above, we have chosen various banking platforms that will enable our client make payment for livestock and farm products purchase without any stress on their part.

13. Startup Expenditure and Initial Cost of Investment

The initial cost of investment required to complete the project's three phases in 18 months execution time will be **\$3,749,300** as per the attached project proposal (00) dated on May 9, 2022 To startup this project, Al Barq Company, LLC aims to raise **\$3,749,300** funds representing 100% of the initial cost of investment (ICI) under any of the following partnership strategies:

- Direct investment
- Partnership agreement
- Joint-Venture agreement
- Equity Financing

14. Activities Time Schedule, Cash Flow and Use of Funds

Find attached activities time schedule, cash flow and use of funds (00) dated on May 9, 2022

15. Sustainability and Expansion Strategy

One of our major goals of starting the sustainable agriculture and livestock project is to build a business that will survive off its own cash flow without the need for injecting finance from external sources once the business is officially running after 18 months from startup.

We know that one of the ways of gaining approval and winning customers over is to sell our farm produce (livestock, forage crops and cattle manures) a little bit cheaper than what is obtainable in the market and we are well prepared to survive on lower profit margin for a while.

Al Barq Company, LLC will make sure that the right foundation, structures and processes are put in place to ensure that our staff welfare are well taken of. Our organization's corporate culture is designed to drive our business to greater heights and training and re – training of our workforce is at the top burner of our business strategy.

As a matter of fact, profit-sharing arrangement will be made available to all our management staff and it will be based on their performance for a period of five years or more as determined by the management of the organization. We know that if that is put in place, we will be able to successfully hire and retain the best hands we can get in the industry; they will be more committed to help us build the business of our dreams.
