

Carpeting Cultivation Project

KGIC

Executive Summary

In mountainous areas in Japan and other countries, rice is often grown on terraced slopes. These terraced slopes have many advantages. However, terraced slopes have increasingly been abandoned and allowed to deteriorate due to inefficient ways of planting, irrigation, and cultivating. Moreover, farm workers are dwindling so now, terraced slopes are difficult to maintain. It is required to make agriculture on terraced slopes efficient. Our business will solve this problem by making it easy to plant, irrigate, and cultivate, not only rice but other vegetables, by using a small sheet of soil, including seeds and fertilizer.

1. Mission & Objectives

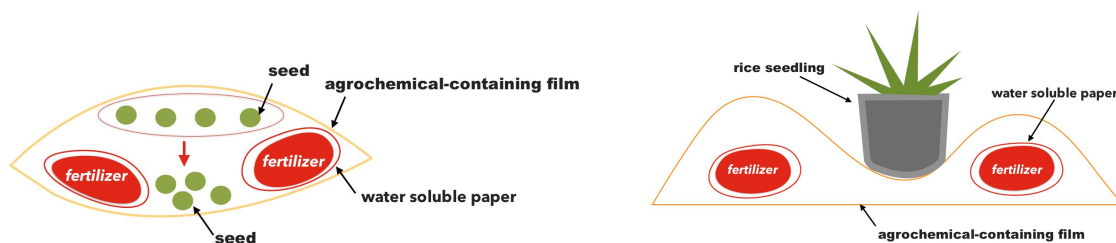
The Carpeting Cultivation Project's mission is to improve productivity and output of agricultural products grown on terraced slopes, and to make it more efficient and easy to produce rice and vegetables in such areas, and to make larger profit of such products to preserve our traditional and functional form of agriculture. We will develop this business by cooperating with companies and farm workers.

Our goal is

1. To introduce our products to half of the small-scale agricultural area in the next 5 years
2. To make it possible to produce harvest twice as many as now
3. To make it possible to make profit twice as many as now
4. To make the proportion of people under 40 years old accounts over 20% of the agricultural population

2. Products and Services

The products and services provided by the Carpeting Cultivation Project make it efficient to produce agricultural products in small fields such as rice terrace where existing cannot be used. We will suggest introducing a cultivation sheet. There are 2 types of them; for rice, and for vegetables. It is possible to cultivate agricultural products by only putting these sheets side by side on the growing area. This sheet contains flat formed fertilizer, that melt into the water in 2 to 3 months. The sheets for vegetables is reticulated, and the agrochemicals, seed, fertilizer is covered by water soluble sheet, respectively. The sheet which wraps the seed dissolves easily compared to the sheet which wraps the agrochemicals and the fertilizer. The sheet for rice is wrapped by a agrochemical- containing film, which has a dip in the middle. The size is 180×300cm. It is able to roll and keep it. Furthermore, it can be cut by a scissor to adjust the length easily.



3. Market Analysis

According to the research conducted by the Ministry of Agriculture, Forestry and Fishers in 2016, the average age of the agricultural population was 66.8, which has been aging year by year. As a result, agriculture has been reduced and the 40% of the small-scale agriculture such as terraced field agriculture has been abandoned. This project shortens time for sowing agrochemicals, fertilizer, and

seeds, and besides the task is only to display the sheets, which is very easy. Due to this simple way, people who do agriculture for the first time can also use it easily. Our target is very wide from the young to the elderly, who live in the countryside, working in the farm. This is because we have to encourage young people to do agriculture, and to make it easy for elderly people to continue doing agriculture.

4. Strategy and Implementation

To begin with, we will introduce our products and services to companies supporting farm workers, and agricultural association. After they tried using and making it better, we will provide our products and services to farm workers in low-price. We will advertise our business by giving a lecture to the farm workers several times in each places, and making advertisements. We will also refer opinions of farm workers to improve our products. The area of this project is relatively limited, which means we are close to the customers and is possible to hear their opinions.

5. Management

We will develop our business with companies that wish to contribute to the solution of social problems, and will get human resources from the company. Then we will provide our products and services to small-scale agriculture, and will cooperate with them when advertising. We will keep improving our products and services. We will spread our business and make it more useful.

6. Financial Plan

The financial plan depends on important assumptions, most of which are shown in the following table.

- The target of the 1st year is Hukudashinden in Nagano, and the 2nd year is Yotsuyasenmaida in Aichi. From the 3rd year the target is the whole country

- In the 1st year we will apply to major companies such as Fuji film.

- Development expense is a rough standard.

- We will have instructors to help agriculture. We can cooperate with agricultural school.

- We will use capital investment for

developing with major companies. We assume that we can establish our business in the 3rd year.

	Year 1	Year 3	Year 3
1 Revenues	36,090,000	56,640,000	61,110,000
Product/Service	36,090,000	56,640,000	61,110,000
(Units sold - Root vegetables sheet)	1,203	1,888	2,037
(Unit price - Root vegetables sheet)	10,000	10,000	10,000
(Units sold - Rice sheet)	1,203	1,888	2,037
(Unit price - Rice sheet)	20,000	20,000	20,000
2 Production Costs	27,050	27,050	27,050
(Units Cost - Root vegetables sheet)	9,650	9,650	9,650
(Units Cost - Rice sheet)	17,400	17,400	17,400
3 Expenses	11,832,064	12,572,064	4,828,064
Staff Salaries	1,780,000	2,520,000	4,740,000
Sales & Marketing	52,064	52,064	52,064
Rent	0	0	36,000
Other expenses	10,000,000	10,000,000	0
Profit/Loss before tax	24,230,886	44,040,886	56,254,886
4 Income Tax	7,269,266	13,212,266	16,876,466
5 Net Profit/Loss	16,961,620	30,828,620	39,378,420
6 Start up cost	5,000,000	0	0
Capital Investment	4,500,000	0	9,000,000
7 Free Cash Frow	7,461,620	30,828,620	30,378,420
8 funding required	0	0	0
9 Cash Balance	7,461,620	30,828,620	30,378,420

7. Conclusion

The Carpeting Cultivation Project will promise to make small-scale agriculture more efficient and more high revenue without lacking its advantages. We are sure that investors will have much money back than they have invested. In the future we can improve our skills and advance to other countries that have the same problem.