

BUSINESS PLANS FOR WOMEN PEACE HUTS IN NIMBA, GRAND CAPE MOUNT, MARYLAND AND SINOE COUNTIES

Completed under the Project

**Sustaining Peace and Reconciliation through Strengthening Land
Governance and Dispute Resolution Mechanisms**

Implemented by UNDP, WFP and UN Women



With support from the Peace Building Fund



TIAPA PEACE HUT PEANUTS BUSINESS PLAN



BUSINESS PLAN DEVELOPMENT CONSULTANT ABRAHAM BILLY

April 13, 2021

The support from the Peace Building Fund



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Executive Summary

The Tiapa Peace Hut was established in 2007 and has 210 members (all women) and has seven Village Saving and Loan Associations (VSLAs). It is located in Tiapa Town in Nimba. Tiapa Town is predominantly a farming community, practicing mostly subsistence agriculture. Economic activities in and around Tiapa include gold mining, hunting and fishing. With experience in farming, the Tiapa Peace Hut has been engaged in rice cultivation intercropped with corn for the past two years (2019 and 2020). Knowledge of the potential for growth as established by the market analysis has resulted to the peace hut decision to invest in peanut business.

The vision of this business is to make Tiapa Peace Hut financially sustainable. The intent of the business is to reduce the Peace Hut's reliance on social funds from VSLAs for the operation of the Peace Hut. In addition to sustaining the Peace Hut, the business will help empower peace hut members and reduce their economic vulnerabilities.

The peanuts business will be managed under the auspices of the current leadership structure of the Tiapa Peace Hut. As part of the sales and marketing strategy, the peace hut will sell the peanuts after harvest in both fresh and dried forms mostly on local market days in Bahn (Monday), Saclapea (Tuesday), Tappita (Wednesday), as well as in Ganta (Thursday) and Monrovia (when necessary) markets. Selling the peanuts when dried (which means after the harvesting season) will make the peace hut generate more revenues from the farms. It will also present the peace hut's peanut business different from other subsistence peanut farmers who sell all of their peanuts during harvest.

The peace hut has estimated the production and marketing cost of the peanut business in the first year of operation at **5,633.94** and the total revenue projected at **10,935.00**, all in United States Dollars. The benefit/cost analysis ratio is **1.94**, indicating that the proposed peanut business is viable.

To finance the initial cost of the peanuts business, the Peace Hut will provide land, labour and some tools for preparation of the business. The Peace Hut has already secured seven acres (2.8 hectares) of land that it will develop to produce peanuts. It will commit **1,000.00 United States Dollars** of its existing social funds to launch the business. The peace hut expects to raise a small grant of **3,000.00 United States Dollars** from the UN Women to serve as initial capital to start this business. The peace hut will outsource additional funds from others donors, government agencies and financial institutions amongst others to actualize its dreams.

1.0 Introduction

Tiapa is a town located off the highway that runs from Ganta to Zwedru, in Zoe-Geh District, Nimba County. Tiapa Peace Hut was established in 2007 and has 210 members (all women) and has seven Village Saving and Loan Associations (VSLAs). The structure of the Peace Hut comprises of leadership headed by a Chairlady, who is assisted by a co-chair, secretary, treasurer and advisor.

Tiapa is predominantly a farming community, practicing mostly subsistence agriculture. Economic activities in and around Tiapa include diamond mining, hunting and fishing. Diamond mining is done mainly by artisanal miners. At the time of the development of this plan, there existed no mining concession in the town. Tiapa is in close proximity with Bahn, Saclapea, and Ganta towns, where the Agricultural products are sold. The Peace Hut is located in Sanniquellie District. As a district of the capital city of Nimba, its population was estimated at 25,370 people by the Liberia Institute of Statistics and Geo-Information Services (LISGIS) in 2008.

2.0 Market analysis

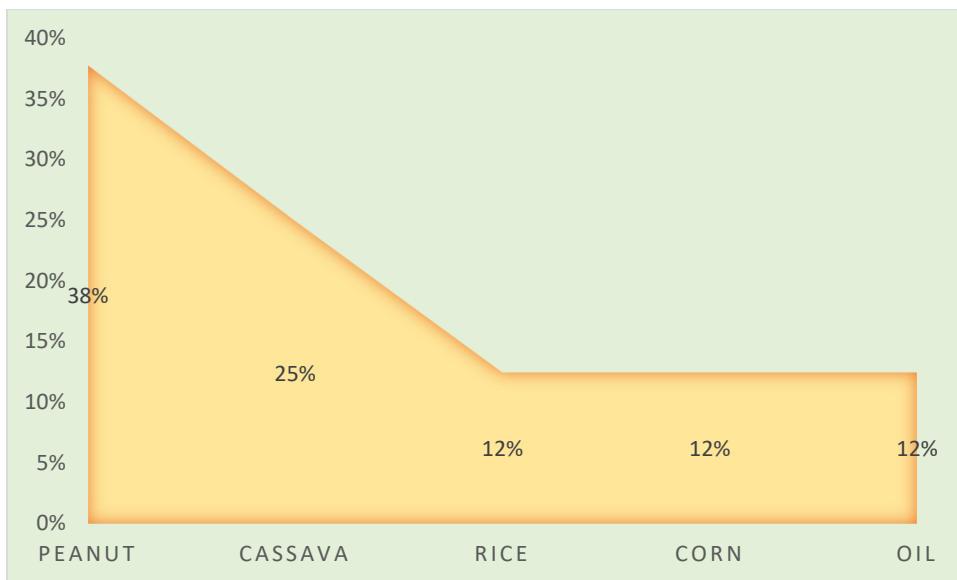
2.1 Observations

The market analysis revealed that the Tiapa Peace Hut has been engaged in rice and cassava farming following the financial sustainability plan training in Gbarnga. It found the peace hut has cultivated rice farm intercropped with corn for the past two years (2019 and 2020). Products from the farm were sold only to members of the peace hut at low prices, with the aim of reducing hunger in members' households during the rainy season period when the community and country experienced serious shortages of food. Though there was no plan to manage the 'farm as a business,' the market analysis indicates the peace hut has saved funds generated from the farms. In addition to the saving, the peace hut has over 100 bundles of rice stored. It intends to sell the rice during the rainy season when rice will be highly demanded to generate more revenue. The peace hut declared using proceeds from the previous farms to finance the proposed business.

Results of the market analysis uncovered peace hut members have good experience in agriculture, as farming has been their way of life. But the results show the peace hut lacks storage facility and equipment for merchandise farming, which means the peace hut would need to invest in purchasing modern agriculture equipment and construction of a storage facility. According to the peace hut, the first year production plant will not priority acquiring equipment and storage facility.

The market analysis captured the first five highest rated crops by the peace hut including, rice, corn, oil, cassava and peanut as businesses it is interested in. From Figure 1 below, it can be seen that the peace is mostly interested in doing peanut business. The peace hut will only invest in cassava, rice, corn or oil if funding is sufficient to cover peanuts and any additional business.

Figure 1: Prioritization of business



The market analysis revealed a growing demand for peanuts in Liberia that domestic supply cannot meet. In order to complement for the gap in supply, Liberia imports peanuts from neighbouring Guinea on a regular basis. In Liberia, peanut is consumed in different ways – patched peanuts, packaged peanuts in super markets, boiled peanuts, etc.

It shows that, overall, the highest volume of peanuts is consumed as a soup. This traditional Liberian peanut soup is made with a combination of peanuts, herbs, spices, and meat. The ingredients include beef, chicken, chicken stock, onions, bell peppers, celery, hot peppers, dried fish, potatoes, okra, and peanut butter. In order to prepare it, the ingredients are simmered in a pot until the potatoes and the meat become fully cooked, and the peanut butter is then added to the pot until it melts completely. This soup is always served hot, usually for lunch. If it's too thick, it's recommended to add more water, and if it's too thin, add some more peanut butter.

Peanut soup is a regular Liberian dish in local restaurants, cookshops and homes across the country. As a result of this, there exist a market for peanuts in Liberia. The domestic production of peanut butter in the county will increase the demand for peanuts in the coming years. In 2019, for example, a high-quality peanut butter factory was formally opened in Konia Town, Lofa County, 130 kilometres from Liberia’s capital, Monrovia. Constructed by the (DARBODAKEI) Farmers’ Cooperative Society, the high-quality peanut butter factory was officially opened on May 24, 2019.

The market analysis revealed that almost every farmer in the community is engaged in peanut farming. It however shows that peanut farming in the community is mostly at subsistence level. Peanut farmers are mainly producing peanuts for self-consumption, and still highly reliant on imported peanuts like other foods to meet their food needs. The peace hut is aware of the local market situation like flooding of markets with local foods during the harvest seasons. Immediately after harvest, most farmer start to experience shortages of foods. Implying that most farmers give away their produce for low prices during harvesting seasons.

The market analysis revealed that the peace hut does not have the required resources to finance this business plan. Thus, it would have to outsource funding from external sources to add to their social fund and proceeds from previous farms to operate this business plan. The peace hut intends to commit the peace hut and poultry buildings as collateral.

2.2 Business Description

The selection of a business for the Tiapa Peace Hut was a participatory process, where peace hut representatives assessed a number of business options before selecting the business to engage in. After

assessing different business ideas and assessing their market opportunities, the Tiapa Peace Hut decided to invest in the production and sale of ground pea (peanuts). The selection decision was informed by results of the market analysis conducted by UN Women before the development of the business plan. It considered the suitability of the soil around Tiapa for the production of peanuts, its demand in the Liberian market, and the availability of seeds for planting in the local market in Nimba County.

2.3 Vision of the business

The vision of this business is to make Tiapa Peace Hut financially sustainable. The intent of the business is to reduce the Peace Hut’s reliance on social funds from VSLAs for the operation of the Peace Hut. In addition to sustaining the Peace Hut, the business will help empower peace hut members and reduce their economic vulnerabilities.

3.0 Business management structure

This business will be managed under the auspices of the current leadership structure of the Tiapa Peace Hut. The Chairlady of the Peace Hut will serve as the Manager of the business, who will report the status of the business to the general membership on a regular basis. All members of the Peace Hut will be shareholders in the business and will contribute to the success of the business. The structure below will work under the Chairlady to manage the business:

Business Manager: As indicated, the Peace Hut Chairlady will serve as the manager of the peanut business. She will oversee the planting process, maintenance of the farm, harvest and sale of the peanuts, with support from the below staff members.

Finance Officer: The Peace Hut’s Financial Secretary will be responsible to set up and manage the finances of the business, and will record all incomes and expenditures of the business.

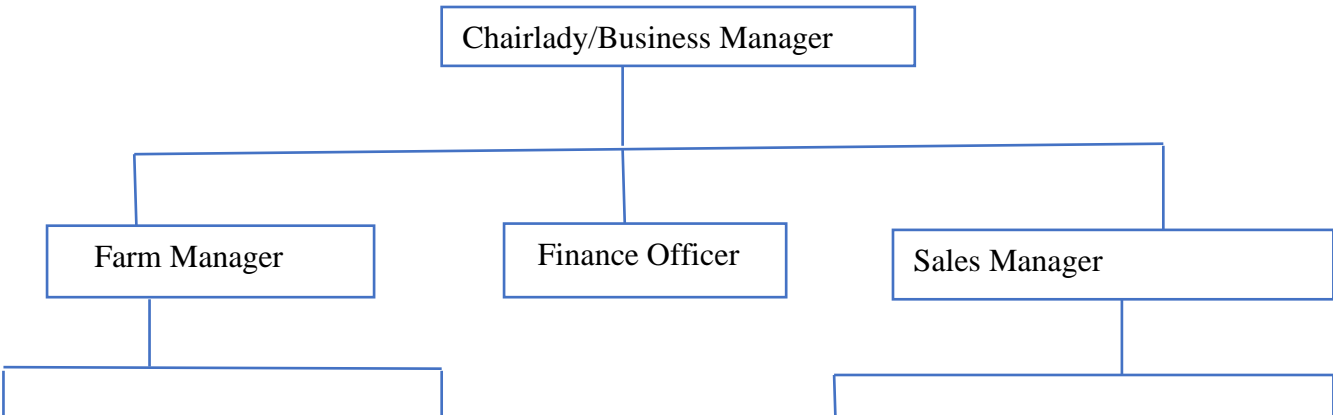
Farm Manager: will lead all works at the farm and will be responsible to supervise the planting and maintenance of the farm.

Group Heads: The heads of VSLAs within the Peace Hut will support the farm manager in producing the peanuts. They will mobilise and supervise their colleagues during activities implementation to producing the peanuts.

Sales Manager: The sales manager will be responsible for the transportation of peanuts to markets, and establish relationships will retailers and wholesalers for the sale of peanuts to buyers.

Sales Agents: Even though all peace hut members will be charged with the responsibilities to sell the products of the peace hut, it will have three members serving as sales agents for the business.

Figure 2: Management Structure



4.0 Product description

Peanut is an annual plant in the family Fabaceae grown for its oil and edible nuts. Peanut plants are small, usually erect, thin stemmed plants with feather-like leaves. The leaves are arranged in alternate pairs and have leaf-like attachments near the stalk. The pods of peanut can reach up to 10 centimetres (4 inches) in length and can contain between one and five seeds. The peanut plant can reach 0.6 meters (2 feet) in height depending on the variety and as an annual plant, survives only one growing season. Peanut may also be referred to as groundnut¹.

Peanuts grow very well in tropical and subtropical climates, requiring warm temperatures and a long growing season. Plants grow optimally at temperatures between 30 and 34°C (86–93°F) although they can tolerate a range between 15 and 45°C (59–113°F). Temperatures above 34°C may damage its flowers. The peanut plant grows best in a light, well-draining sandy loam, but may also grow in heavier soils. Peanuts are resistant to drought and can withstand long periods without water albeit with a reduction in yield. For optimal production, a well distributed rainfall of between 500 and 600 millimetres of water over the course of the growing season is ideal.²

Peanut is usually propagated from seed. Seeds should be planted in a well-prepared seedbed in soil that is loose and crumbly with no large clumps. The seedbed should be free from weeds which will compete with the peanut seedlings. Weeds may be removed by hand cultivating or through the use of an appropriate herbicide. Peanut seeds should be planted by hand to a depth of 3–5 centimetres (1–2 inches). It is best to ridge the soil or use flat beds as this will make harvesting the peanuts easier. Peanuts can be grown a sole crop or intercropped with other crops such as corn, cassava or soybean³.

To achieve maximum yields, peanut fields should be kept as free as possible from competing weeds. Plants should be supplied with additional irrigation if dry conditions coincide with flowering and pod fill. Peanuts do not generally require the addition of supplemental nitrogen as their roots form symbioses bacteria which are capable of fixing atmospheric nitrogen in the soil. Peanuts require calcium in the soil for good pod fill. Calcium deficient soils may result in empty or poorly filled pods. Peanuts are ready for harvest between 85 and 130 days after sowing, depending on the variety. During harvest, it can be pulled from the ground and the pods removed⁴.

Most commercially grown peanuts are used for the extraction of their oil which is used in cooking. In terms of health benefits, peanuts help prevent heart disease by lowering cholesterol levels. They can also stop small blood clots from forming and reduce your risk of having a heart attack or stroke.

¹ https://plantvillage.psu.edu/topics/peanut-groundnut/infos/diseases_and_pests_description_uses_propagation

² Ibid

³ <https://www.webmd.com/diet/health-benefits-peanuts#1>

⁴ https://plantvillage.psu.edu/topics/peanut-groundnut/infos/diseases_and_pests_description_uses_propagation

Figure 3: Peanut grown in Liberia



5.0 Marketing and sales plan

Marketing: Prior to harvest, the Peace Hut will establish relationships with peanut retailers and wholesalers around Tiapa to purchase their products. It will make use of the existing relationships among members of the peace hut and their relatives and friends market the products.

Sales strategy: The Peace Hut will sell its products after harvest. The peanuts will be sold in both fresh and dried forms. The products will be sold mostly on market days in Bahn, Saclapea, as well as in markets in Ganta. Additionally, the peanuts will also be sold to retailers and wholesalers who buy peanuts in the above markets for shipment to Monrovia.

6.0 Resource mobilization plan

The Tiapa Peace Hut has already secured 7 acres of land near Tiapa Town that it will develop to produce peanuts. The peace hut women will provide labour for the brushing, planting and maintenance of the peanuts farms. They will also use their farming tools for the cultivation of the farm. To subsidize the provision of food during the cultivation, peace hut members will contribute local food stuff to feed workers during the cultivation period. The Peace Hut has already committed its existing social funds of about **1,000.00 United States Dollars** to launch the business.

The Peace Hut intends to raise substantial amount of the estimated cost of the business from external sources. In addition to the social fund the peace hut has committed, UN Women has agreed to provide a small grant of **3,000.00 United States Dollars** to the peace hut to serve as initial capital to start this business. After the first-year's harvest, all revenues from the business will be reinvested in the business. The peace hut will source grants from development partners and government institutions and loans to expand the business.

7.0 Financial plan (expenses and revenues forecast)

Table 1 and Table 2 below show the breakdown of expenses and how the peace hut intends to use and generate funds. These estimates were informed by the market analysis conducted with the peace hut and community members. The analysis followed current market situations in Nimba and Liberia. It took into consideration the inflationary factors. It assumed that cost and prices will increase by 25% each.

Table 1: Estimated Cost for Year 1

1.0 Peanut	Item	Quantity	Unit Cost	Total Cost-2021
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1.1	Seeds	7	\$ 14.71	\$ 102.94
2.0 Farming Materials				
2.1	Cutlass	25	\$ 6.00	\$ 150.00
2.2	Hoe	25	\$ 3.00	\$ 75.00
2.3	Power saw rental	1	\$ 150.00	\$ 150.00
2.4	Wheel barrow	2	\$ 35.00	\$ 70.00
2.5	Buckets	6	\$ 15.00	\$ 90.00
2.6	Empty gallons	750	\$ 2.00	\$ 1,500.00
2.7	Axe	4	\$ 3.00	\$ 12.00
2.8	File	4	\$ 4.00	\$ 16.00
2.9	Processing machine	1	\$ 2,000.00	\$ 2,000.00
Sub-total				\$ 4,165.94
3.0 Salary cost				
3.1	Business Manager	1	\$ 24.00	\$ 192.00
3.2	Finance Officer	1	\$ 18.00	\$ 144.00
3.3	Farm Manager	1	\$ 18.00	\$ 144.00
3.4	Sales and Marketing Manager	1	\$ 18.00	\$ 72.00
3.5	Sale Agents	3	\$ 14.00	\$ 126.00
3.6	Security	1	\$ 10.00	\$ 80.00
3.7	Daily labourers	210	\$ 2.00	\$ 420.00
Sub-total				\$ 1,178.00
4.0 Other cost				
4.1	Billboard	1	\$ 40.00	\$ 40.00
4.2	Transportation - truck rental	1	\$ 250.00	\$ 250.00
Sub-total				\$ 290.00
Total Cost				\$ 5,633.94

Table 2: Projected Revenues for Year 1

Revenue	Quantity	Unit cost	Total cost
Peanut (50kg bags)	750	\$ 14.58	\$ 10,935.00
Total Revenue			\$ 10,935.00

7.1 Important Assumptions

Based on the production volume/capacity and sales price of the peanuts, the expected revenues and expenses of the peace hut business are projected. These projections followed decision of the peace hut to produce and market peanuts. That this business acquired the resources to operate the business; that it will sell its products not more than five per cent less the projected sales/current market price; and that the primary expenses of the peace hut will not exceed salaries, utilities, and inputs costs in the first year of operation.

7.2 Benefit - Cost Analysis

The peace hut has estimated cost for producing and marketing peanut is set at **5,633.94** and the total revenue is estimated at **10,935.00**, all in United States Dollars. The benefit/cost analysis ratio is 1.94, indicating that the proposed peace hut peanut business is sustainable.

$$\text{R/C benefit} = \$10,935.00 / \$5,633.94$$

$$\text{R/C benefit} = 1.94$$

The revenue and cost for operating the business in the first five years is projected in the cash flow in Table 3 below:

Table 3: Projected Profit and Loss

Cash Flow	Year 1	Year 2	Year 3	Year 4	Year 5
Expenditure	\$ 5,633.94	\$ 1,623.02	\$ 1,655.03	\$ 1,687.23	\$ 1,719.61
Revenue	\$ 10,935.00	\$ 11,481.75	\$ 11,492.10	\$ 11,502.46	\$ 11,512.81
Profit	\$ 5,301.06	\$ 9,858.73	\$ 9,837.07	\$ 9,815.23	\$ 9,793.20

The above cash flow in Table 3 shows that the business will start to make a significant profit in the first year of operation. The profit is expected to almost double in the second year and the succeeding years of business operation.

7.3 Financial management

The Tiapa Peace Hut has a financial management system in place that records all transactions of the VSLAs under the peace hut. It also has a strong leadership in place, as its Chairlady currently serves as the National Vice President of Peace Huts. The Peace Hut will build on its existing financial management system to account for the peanuts business. The Peace Hut will also utilize the knowledge and skills it acquired from the financial management training to run its financial management system.

8.0 Business development

The Peace Hut plans to expand the peanut business by increasing the volume of peanuts year-on-year. As the volume of peanuts increases, the Peace Hut will establish peanut depots in Ganta and Monrovia for the sales processed peanuts. The decision venture into establishing peanut depots in bigger commercial cities and value addition to the peanuts it will produce by processing them, was informed by results of the market analysis conducted and the financial projections that show potential for growth of the peace hut business.

9.0 Risks and mitigation strategies

Climatic conditions such as temperature and rainfall significantly influence peanuts production. Warm and moist conditions are very favourable than cool and wet climate, which results in slow germination and seedling emergence, increasing the risk of seed rot and seedling diseases. To mitigate these risks, the peanuts will be planted where the rains are not heavy.

ZONTUO PEACE HUT PEPPERS BUSINESS PLAN



**BUSINESS PLAN DEVELOPMENT CONSULTANT
ABRAHAM BILLY**

April 13, 2021

With support from the Peace Building Fund



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Executive summary

Zontuo Peace Hut was established in 2015 with funding from UN Women. It has 100 members (90 women and 10 men) and has three Village Saving and Loan Associations (VSLAs). Zontuo is located off the highway that runs from Bahn to Saclapea in Zoe-Geh District in Nimba County. The community is mostly involved in subsistence agriculture as livelihood and income-generating activity.

The peace hut has secured about 6 acres of lands from members of the peace hut near the Zontuo Town for farming purposes. It intends to engage in pepper production and marketing. The peppers business will be managed under the auspices of the current leadership structure of the Zontou Peace Hut.

The peace hut selected pepper business based on a large market that exist in Liberia for pepper. Pepper is consumed by almost every household in Liberia on a daily basis. The demand for pepper in Liberia is year-round, but production is mostly during the rainy season. The Liberian consumers prefer fresh peppers, but during the dry season, supplies of fresh peppers disappear and imports of dried peppers substitute, especially from Guinea. The continuous importation of pepper from neighbouring countries signifies that there is a large domestic market for pepper in Liberia. The competition in the pepper business in Liberia exists mainly during the pepper harvesting season.

The Zontuo Peace Hut is venturing into this business in order to economically empower individual peace hut members, sustain the VSLAs under the Peace Hut, and attain financial and operational sustainability of the Peace Hut. The vision of this business is to generate funds for the operation of the Peace Hut, so that it can continue to protect the rights of women, protect them from gender-based violence, and continue to contribute to peacebuilding efforts in Zontuo.

To achieve this dream, the Zontuo Peace Hut expects to produce large quantity of peppers that it will sell both in Nimba and out of Nimba. After harvest, the Peace Hut will sell its product in Bahn, Saclapea, and Ganta. It will also sell to pepper retailers and wholesalers who buy peppers in Nimba County. The Peace Hut will also transport its product to markets in Monrovia for sale. It will establish customer relationship with pepper buyers in Monrovia to buy its product in bulk.

The estimated cost of the Zontuo Peace Hut pepper business is **\$3,707.82**, and a projected amount of **\$4,250** as revenue for the first year's operation. The financial analysis shows a profit of **\$542.18** and a **ratio of 1.16**, indicating a potential for growth and feasibility of the pepper business.

The Peace Hut intends to raise substantial amount of the estimated cost of the business from external sources. The Peace Hut has already secured six acres of land that it will develop to produce pepper. The Peace Hut has committed **600.00 United States Dollars** from its existing social funds to launch the business. The UN Women, an International Non-governmental Organization (INGO) that was found as a single most supportive organization will provide a small grant of **3,000.00 United States Dollars** to the peace hut to serve as initial capital to start this business. Members of the Zontuo Peace Hut will provide land, labour and tools for the production of peanuts.

2.0 Introduction

Zontuo Peace Hut was established in 2015 with funding from UN Women. It has 100 members (90 women and 10 men) and has three Village Saving and Loan Associations (VSLAs). The structure of the Peace Hut comprises of leadership headed by a Chairlady, who is assisted by a co-chair, secretary, treasurer and advisor.

Zontuo Peace Hut is located in Zontuo Town in Zoe-Geh District in Nimba County. The town is off the highway that runs from Bahn to Saclapea. The community is mostly involved in subsistence agriculture as livelihood and income-generating activity. Other economic activities in Zontuo include cocoa, coffee and rubber production and hunting. Produce from Zontuo is mostly sold in Bahn, Saclapea and Ganta markets.

2.0 Market Analysis

2.1 Observations

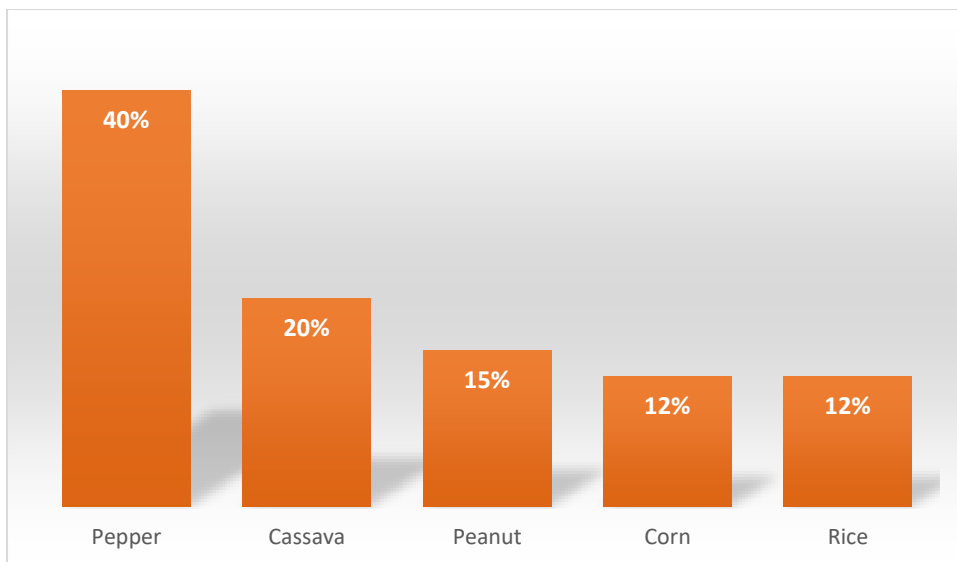
The market analysis revealed that the Zontuo Peace Hut has never been engaged in farming, but its members are mostly farmers who are involved in food and cash crops production. Most of the peace hut members depend on agriculture activity including rice, cassava, peanuts, peppers, rubber and coffee production amongst others. The peace hut does not have land for farming purposes, however, the peace hut has secured about 6 acres of lands from members of the peace hut for farming purposes. The farm lands are located near the town; the closer one is about 20 minutes' walk, while the other one is about 30 minutes' walk from the town. The farms are accessible.

The analysis discovered that the peace hut has other capacity available for operating an agriculture business. Members of the Peace Hut have good experience in crop production. Some members of the peace hut have been involved in agriculture activity for more 30 years. Farming is their way of life.

The results of the market analysis show the peace hut lacks mostly equipment and storage facility for merchandise farming. Consequently, most of agriculture products are taken to the local markets during harvesting seasons. The peace hut declared taking the first year's farm outputs to the market during and after harvesting seasons. In the second and succeeding years, the peace hut was recorded as adding value to the produce before taking them to the market.

The analysis captured the first five highest rated crops prioritised by the peace hut for business. The crops include, pepper, cassava, corn, rice and peanut. Figure 1 below presents the different scores, and indicates the first priority crop for the peace hut as pepper. The peace hut will only invest in cassava, rice, corn or peanut if funding available to it is sufficient to do the pepper and any additional business.

Figure 4: Selection of crop for business



The market analysis revealed a large market exists in Liberia for pepper. Pepper is consumed by almost every household in Liberia on a daily basis. In Liberian culture, a soup without pepper is considered to have no taste. From a very young age, children are introduced to hot peppers such as cayenne so that by adulthood they have become accustomed to its burning sensation⁵.

The analysis found that demand for pepper in Liberia is year-round, but production is mostly during the rainy season⁶. The report noted that Liberian consumers prefer fresh peppers, but during the dry season, supplies of fresh peppers disappear and imports of dried peppers substitute, especially from Guinea (USAID, 2014). The continuous importation of pepper from neighbouring countries signifies that there is a large domestic market for pepper in Liberia. It revealed that from December through April, peppers can be in high demand on the Liberian market as very few farmers are found engaged in its production. During the dry season, the price of a 50kg bag of pepper is sold between LD\$8,000 and LD\$ 12,000 in Monrovia.

Results of the market analysis indicate a limited competition exists in the pepper business in Liberia. Competition is observed only during the pepper harvesting season, as almost every farmer in the community produces pepper. It however recorded that pepper farming is at subsistence level, and mostly intercrop or side-by-side with other crops. Farmers are mainly producing pepper for self-consumption on smaller farms. A small volume of peppers produced in the community is taken to the market for sale. The analysis further uncovered that local markets are only flooded with pepper during harvest seasons; immediately after harvest, most farmers start to experience shortage of pepper, and the reliance on imported pepper like other foods to meet their food needs increases.

The analysis revealed lack of storage facility and proper post-harvest handling are factors discouraging farmers to invest more in pepper production. It recorded that most farmers give away their produce for less prices during harvest to avoid losing all, and to be able to purchase some necessities. The analysis revealed the need for a processing facility to add value to products it will produce to avoid post-harvest losses and for increased revenue generation. It shows that the processing facility would be in no hurry to sell farm products. It will mostly sell products when the harvesting season is over and the products are scarce on the local markets with good incentives. The processing facility will engage in large pepper farming to generate anticipated profits of the business.

2.2 Business Description

⁵ <https://libpositives.com/blog/j66yx9thh37c2hf2845589ay2a3nws>

⁶ United States Agency for International Development (2014)

Prior to the business plan development workshop, members of the Zontuo Peace Hut participated in a business plan development training in Totota, Bong County, from November 16-20, 2020. The training built the capacity of participants on how to conceptualize a business idea, select a business idea, and develop a business plan. Using knowledge and skills from the above training, representatives of the Zontuo Peace Hut assessed several areas to develop a good business idea and selected one as a top priority. Following brainstorming, the peace hut selected pepper production as the business to invest in.

The above selection was influenced by the fact that pepper production is an activity that peace hut members are familiar with and able to do effectively. The peace hut selected pepper because of its demand and suitability of the soils in Zontuo. All these were informed by results of the market analysis UN Women conducted with the peace hut.

2.3 Vision of the business

The Zontuo Peace Hut is venturing into this business in order to economically empower individual peace hut members, sustain the VSLAs under the Peace Hut, and attain financial and operational sustainability of the Peace Hut. The vision of this business is to generate funds for the operation of the Peace Hut, so that it can continue to protect the rights of women, protect them from gender-based violence, and continue to contribute to peacebuilding efforts in Zontuo.

3.0 Business management structure

The Zontuo Peace Hut has a leadership structure in place that it will use to manage this business. The Chairlady of the Peace Hut will serve as the Manager of the business, and will be accountable to all the members of the Peace Hut. All members of the Peace Hut will be shareholders in the business and will contribute to the management of the business. The structure below will manage the business:

Business Manager: As indicated, the Peace Hut Chairlady will serve as the manager of the business. She will oversee the planting process, maintenance of the farm, harvest and sale of the peppers, with support from the below staff members.

Finance Officer: The Peace Hut's Financial Secretary will be responsible to set up and manage the finances of the business, and will record all incomes and expenditures of the business.

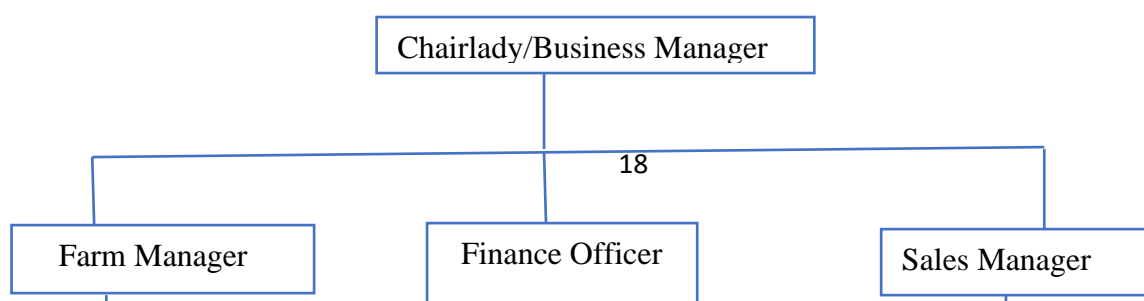
Farm Manager: will lead all works at the farm and will be responsible to supervise the planting and maintenance of the farm.

Group Heads: The peace hut will have three Heads of VSLA who will support the farm manager in producing the peppers. They will be responsible to mobilize labour for the farm work.

Sales Manager: The sales manager will be responsible for the transportation of peppers to markets, and establish relationships with retailers and wholesalers for the sale of products.

Sale Agents: The Peace Hut will have three peace hut members who will be charged with the responsibilities to serve as sales agents to sell the products of the peace hut.

Figure 5: Management Structure



Group
Head

Sales
Agent

4.0 Product description

Pepper is a vegetable with variable shapes, sizes and colors. It can be green, red, yellow, orange and even black. Its taste can be sweet or spicy and it is consumed fresh, preserve, etc. Pepper is a fruit (though considered to be a vegetable in culinary/cooking terms) that is grown by most Liberian farmers. Pepper flourishes well in hot and humid climate along with good rain⁷.

Pepper is consumed raw, stewed and roasted or as garnish in a great variety of dishes. The main vitamin supply in peppers is vitamin C that protects against cancer. It is also a good source of vitamin A, so it is good for sight⁸.

Nutritionists believe peppers have many components that are good for one's health, the main one being capsaicin. Capsaicin has many benefits, some of which include relieving headaches and allergies, protecting against stomach damage, increasing metabolism, and reducing hunger. Capsaicin is also loaded with antioxidants as well as vitamins A, B-6, C and K⁹.

One of the greatest benefits of capsaicin is its ability to increase circulatory blood flow thus preventing abnormal clotting, which can lead to heart attack and stroke. Also, capsaicin has the ability to lower blood pressure. Additionally, it is a very effective pain killer by stimulating the body's production of endorphins, the natural opiate pain killer¹⁰.



5.0 Sales and marketing

The Peace Hut expects to produce large quantity of peppers that it will sell both in Nimba and out of Nimba. After harvest, the Peace Hut will sell its product in Bahn, Saclapea, and Ganta. It will also sell to

⁷ <https://economictimes.indiatimes.com/definition/pepper>

⁸ Ibid

⁹ <https://libpositives.com/blog/j66yx9thh37c2hf2845589ay2a3nws>

¹⁰ Ibid

pepper retailers and wholesalers who buy peppers in Nimba County.

The Peace Hut will also transport its product to markets in Monrovia for sale. It will establish customer relationship with pepper buyers in Monrovia to buy its product in bulk.

6.0 Resource mobilization plan

Members of the Zontuo Peace Hut will provide land, labour and tools for the production of peanuts. The Peace Hut has already secured six acres of land that it will develop to produce pepper. The Peace Hut has already committed **600.00 United States Dollars** from its existing social funds to launch the business. Additionally, peace hut women will provide labour for the planting and maintenance of the peanut farm. They will also use their farming tools for the cultivation of the farm. To subsidize the provision of food during the cultivation, peace hut members will contribute local food stuff to feed workers during the cultivation period.

The Peace Hut intends to raise substantial amount of the estimated cost of the business from external sources. The UN Women, an International Non-governmental Organization (INGO) that was found as a single most supportive organization will provide a small grant of **3,000.00 United States Dollars** to the peace hut to serve as initial capital to start this business. After the first-year's harvest, all revenues from the business will be reinvested in the business for expansion of the business.

7.0 Financial Plan (expenses and revenues forecast)

The breakdown of expenses and revenues forecast for the first five years is presented below in Table 1 and Table 2. To finance the projected expenses, the Peace Hut intends to raise its initial fund from social fund and external sources, to serve as initial capital to start this business. After the first-year's harvest, all proceeds will be reinvested in the business.

Table 4: Expected Expenses for the business

1.0 Peanut	Item	Quantity	Unit Cost	Total Cost-2021
1.1	Seeds (per cup)	10	\$ 2.94	\$ 29.41
2.0 Farming Materials				
2.1	Cutlass	15	\$ 6.00	\$ 90.00
2.2	Hoe	15	\$ 3.00	\$ 45.00
2.3	Power saw rental	1	\$ 100.00	\$ 100.00
2.4	Wheel barrow	2	\$ 35.00	\$ 70.00
2.5	Buckets	4	\$ 15.00	\$ 60.00
2.6	Empty gallons	100	\$ 1.00	\$ 100.00
2.7	Axe	3	\$ 3.00	\$ 9.00
2.8	File	3	\$ 4.00	\$ 12.00

2.9	Processing machine	1	\$ 2,000.00	\$ 2,000.00
Sub-total				\$ 2,515.41
3.0 Salary cost				
3.1	Business Manager	1	\$ 15.00	\$ 120.00
3.2	Finance Officer	1	\$ 13.00	\$ 104.00
3.3	Farm Manager	1	\$ 13.00	\$ 104.00
3.4	Sales and Marketing Manager	1	\$ 13.00	\$ 52.00
3.5	Sale Agents	3	\$ 10.00	\$ 90.00
3.6	Security	1	\$ 6.00	\$ 48.00
3.7	Daily labourers	210	\$ 2.00	\$ 420.00
Sub-total				\$ 938.00
4.0 Other cost				
4.1	Billboard	1	\$ 25.00	\$ 25.00
4.2	Transportation - truck rental	1	\$ 200.00	\$ 200.00
Sub-total				\$ 225.00
Total Cost				\$ 3,707.82

Table 5: Expected revenues for the business

1.0 Revenue	Quantity	Unit cost	Total cost
Pepper (50kg bag)	85	\$ 50.00	\$ 4,250.00
Total Revenue			\$ 4,250.00

7.1 Important Assumptions

The projected revenues and expected expenses depends on the assumption that the Zontuo Peace Hut's has the capacity to produce 85 bags (50kg) of peppers that will be sold at good market prices. These projections were made considering that the peace hut will cultivate peppers on 5 acres of land; that the peace hut will acquire the needed resources to operate the business; that it will sell its products not more than five per cent less than the projected sales prices; and that the primary expenses of the peace hut will not exceed salaries, utilities, and inputs costs in the first year of operation.

7.2 Benefit - Cost Analysis

The Zontuo Peace Hut pepper business will cost an estimated amount of **\$3,707.82**, and a projected amount of **\$4,250** as revenue for the first year's operation. The financial analysis shows a profit of **\$542.18** and a **ratio of 1.16**, indicating a potential for growth and feasibility of the pepper business.

R/C benefit = \$4,250/\$3,678.41

R/C benefit = 1.15

Table 6: Projected Profit and Loss

Cash flow	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	\$ 4,250.00	\$ 4,462.50	\$ 4,470.67	\$ 4,478.85	\$ 4,487.03
Cost	\$ 3,707.82	\$ 1,247.39	\$ 1,276.62	\$ 1,306.09	\$ 1,335.79
Profit	\$ 542.18	\$ 3,215.11	\$ 3,194.05	\$ 3,172.76	\$ 3,151.24

From Table 3 above, it is seen that the business will start to make a minimum profit in the first year of operation, and the profit will steadily increase in the second and succeeding years. This means that the business project solid cash balance and net worth during the five years of the business plan implementation.

7.3 Financial management

The Zontuo Peace Hut will use the available financial guide, put in place financial controls and make financial decisions on the return of investment. It will make use of financial management system in place to record all transactions of the VSLAs under the peace hut. The Peace Hut will also utilize the knowledge and skills it acquired from the financial management training to apply strategic financial management throughout its operations. It will design elements that will maximize the peace hut's financial resources and use them efficiently. The peace hut plans to effectively manage its assets, reinvest returns, support its operations, provide means for future growth, and promote customers and employees satisfactions.

8.0 Business development

The Peace Hut plans to develop this business by firstly focusing on increasing the volume of pepper it produces in the initial years. This will be done by expanding the pepper farm in the second year. As the business expands, the Peace Hut will expand the business management structure by employing sales persons in Monrovia and other markets. The Peace Hut will also diversify into the production of other crops (**specifically corn**) after few years in order to expand its business portfolio. The decision on which new business to invest in will be made by all peace hut members based on the knowledge and skills acquired from previous trainings.

9.0 Risks and mitigation strategies

There are many risks associated with growing pepper. Plant disease occurs when some external factor disrupts the normal growth and development of the plant. Many different parasitic and non-parasitic disease agents can cause disease in peppers. Climatic conditions such as drought can affect the growth of pepper.

Pepper requires full sun for the best harvest. The Peace Hut women will plant their peppers in well-drained soil rich in organic matter. They will ensure that the planting soil temperature is of 65°F or greater. The peppers will be nursed for 8 to 10 weeks before transplanting them into the farm.

One major risk with the production and sale of pepper is post-harvest loss. It is a perishable product that rots quickly if not harvested and sold on time. The peace hut women will harvest the peppers when it starts to turn colour, baggage it, and sell it to markets.

TUZON PEACE HUT SOAP MAKING BUSINESS PLAN



BUSINESS PLAN DEVELOPMENT CONSULTANT
ABRAHAM BILLY

April 29, 2021

With support from the Peace Building Fund



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Executive summary

The Tuzon Peace Hut was established in 2015. It has a membership of 90 persons (86 women and 4 men) spread over three Village Saving and Loan Associations (VSLAs). The peace hut is headed by a Chairlady, who is assisted by a co-chair, secretary, treasurer, financial secretary and advisor. The peace hut is located in Tuzon Town in Sinoe County. Tuzon Town is one of the three mineral-rich (mostly gold) communities in the Dugbe River District. Residents of Tuzon are mostly involved in mining and trade. Goods traded in Tuzon are very expensive. The decision for the peace hut to engage in trade business was confirmed by the results from the business scoring exercise.

Results of the business prioritization indicates that the peace hut prefers to do soap making business. The peace hut has realized the high demand for soap business in Liberia. The market analysis revealed to the peace hut quantity of soap that West African Countries alone imported (\$544 million) in 2014, out of which Liberia accounted for \$8.3 million and registered an average annual growth rate of 12.4% over the past 10 years. The peace hut is aware that soap making has a potential for future growth and the creation of gainful employment and that it can be used as a stepping stone for upward financial mobility.

This soap making business is intended to make the Tuzon Peace Hut financially sustainable. The intent of the business is to reduce the Peace Hut's reliance on social funds from VSLAs for the operation of the Peace Hut. In addition to sustaining the Peace Hut, the business will help empower peace hut members and reduce their economic vulnerabilities. The current leadership structure of the Tuzon Peace Hut will manage the business. Members of the Peace Hut will be shareholders in the business and will contribute to the success of the business. All peace hut members will be responsible to reach out to their family members and friends through meetings and in other engagement to inform them on the soap making business.

The peace hut has estimated the cost of operating the soap making business at **4,162.73 United States Dollars** and project revenues at **5,366.88 United States Dollars** with a margin of **\$1,204.14 United States Dollars** in the first one year of operation, which proves feasibility of the business.

To finance the soap making business, the Tuzon Peace Hut women has committed about **600.00 United States Dollars** from their existing social funds to launch the business. It will provide labour for producing and marketing the soaps.

The Peace Hut intends to raise substantial amount of the estimated cost of the business from external sources. In addition to the social fund the peace hut has committed, UN Women has agreed to provide a small grant of **3,000.00 United States Dollars** to the peace hut to serve as initial capital to start this business. After the first-year's harvest, all revenues from the business will be reinvested in the business. The peace hut will source grants from development partners and government institutions and loans to expand the business.

1.0 Introduction

The Tuzon Peace Hut was established in 2015. It has a membership of 90 persons (86 women and 4 men) spread over three Village Saving and Loan Associations (VSLAs). The peace hut is headed by a Chairlady, who is assisted by a co-chair, secretary, treasurer, financial secretary and advisor.

The peace hut is located in Tuzon Town in Sinoe County. Tuzon Town is located 40 miles from Greenville, the Capital City of Sinoe County. Tuzon is one of the three mineral-rich (mostly gold) communities in the Dugbe River District. According to the Liberia Institute of Statistics and Geo-Information Services (LISGIS, 2008), the district has an estimated population of 9,239.

2.0 Market analysis

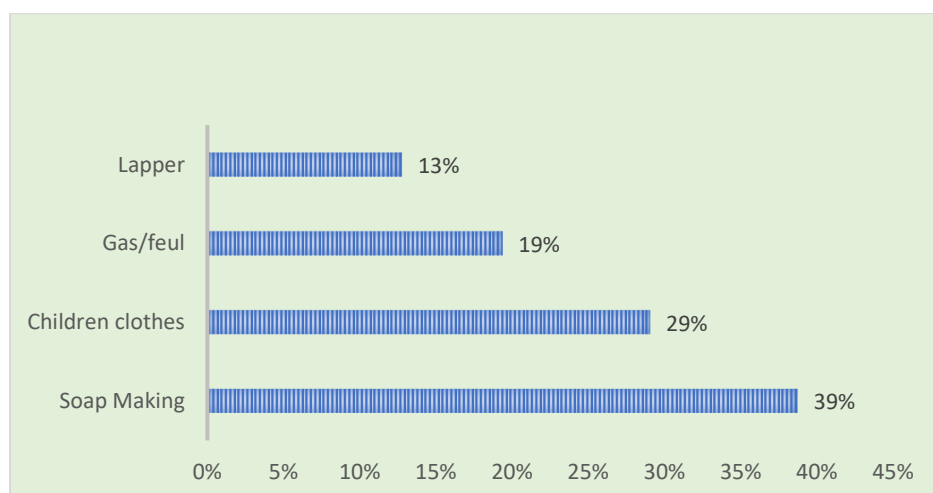
2.1 Observations

The market analysis revealed that Tuzon Peace Hut members are mostly involved in trade. It shows basic goods traded in Tuzon are in demand and very expensive. Goods are mostly brought to the community from Greenville, Monrovia and other markets in and out of Liberia. As a mineral-rich community, there is less attention on agriculture activity. Residents are mainly miners and traders who travel to other communities with goods to sell.

When asked about investment in agriculture, during the market analysis, women reported having interest in agriculture business and trade. They declared that agriculture products are in high demand in the community. But the peace hut women preferred not engaging into business that they do not have capacity in. According to the peace hut women, most manpower or labourers in Tuzon and nearby communities were only interested in gold mining. While expressing frustration in the workforce of the community, the peace hut women declared trade as the only option available to the peace hut, even though there is sufficient land available to the peace hut for farming purposes.

The decision for the peace hut to engage in trade business was confirmed by the results from the business scoring exercise. Figure 1 below presents the peace hut's priority business. The business priority ranking indicates that the peace hut would invest in children clothes, Gas/fuel or lappers business, if it can gather more finance to operate the soap making business and engage in another business as part of its expansion strategy.

Figure 6: Prioritization of business



The market analysis revealed that soap making has been a focus area since the civil war ended in 2003. It shows that different kinds of soaps are made in Liberia using traditional approaches. The market analysis shows that

Liberia's industrial sector was dominated by processing plants that covered soap making before the civil war that started in 1989. For example, the Liberian-owned Mesurado Group manufactured detergent, soap, etc.

The peace hut has realized the high demand for soap business in Liberia. The market analysis revealed that West African Countries alone imported (\$544 million) in 2014, out of which Liberia accounted for \$8.3 million and registered an average annual growth rate of 12.4% over the past 10 years. The peace hut is aware that soap making has a potential for future growth and the creation of gainful employment and that it can be used as a stepping stone for upward financial mobility.

During the market analysis, it was reported that no one or group of people is involved in large soap making in Tuzon. It indicates that all of the soaps produced by the peace hut can be bought by residents in and around Tuzon. The products will be sold mostly in Tuzon Town and Money Camp and in Greenville and Monrovia if the produces more quantities at once. It shows the peace hut intension in developing special packages for the different market and buyers.

2.2 Business Description

In late 2020, the leadership of Tuzon Peace Hut participated in business planning/development and financial management training, in Totota. During the business plan training, representatives from Tuzon Peace Hut received training on how to conceptualize, select a business ideal, and develop and implement a business plan. Building on the knowledge gained from the business plan training, the Tuzon Peace Hut leadership brainstormed and selected soap making as their business of interest. They selected soap making business from several businesses they have listed. This was based on the potential of the peace hut to earn and save incomes from soap making.

2.3 Vision of the business

The vision of this business is to make Tuzon Peace Hut financially sustainable. The intent of the business is to reduce the Peace Hut's reliance on social funds from VSLAs for the operation of the Peace Hut. In addition to sustaining the Peace Hut, the business will help empower peace hut members and reduce their economic vulnerabilities.

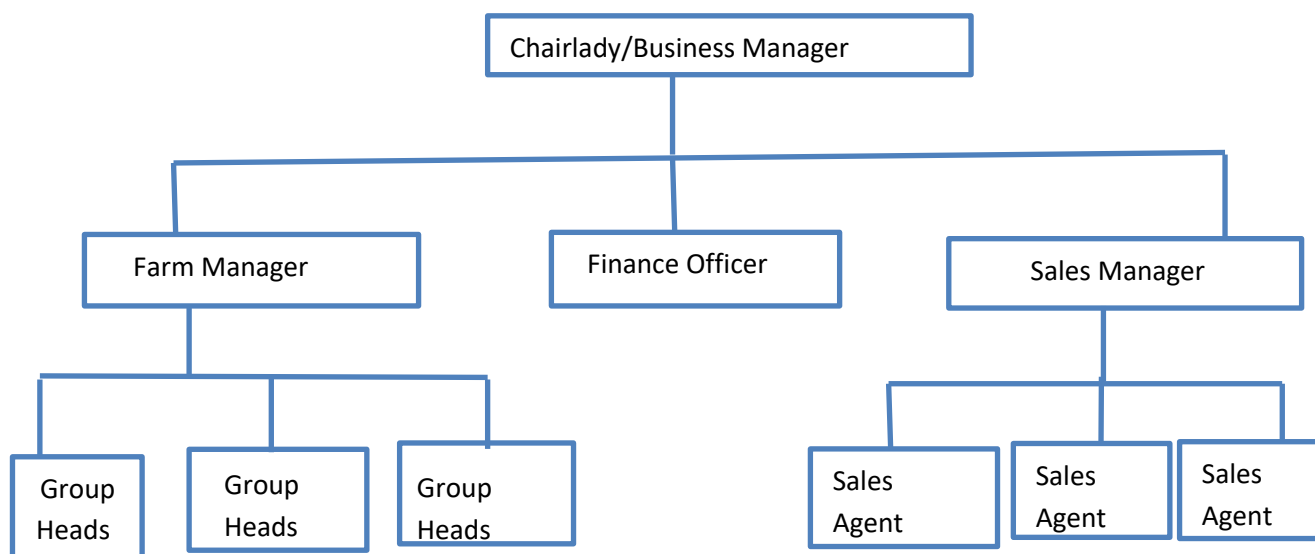
3.0 Organisation of the business

The current leadership structure of the Tuzon Peace Hut will manage the business. Members of the Peace Hut will be shareholders in the business and will contribute to the success of the business. The structure below will work to manage the business:

- **Business Manager:** The Peace Hut Chairlady will serve as the business manager. She will provide overall leadership and be responsible for accounting to the entire membership of the peace hut and other business partners. She will be responsible for the day-to-day management of the business and overseeing the entire business circle from production to sales.
- **Finance Officer:** This business will have a finance officer who will use the existing financial management guide and systems to operate the business. The finance officer will be responsible to record all financial transactions of the business from the start onwards. The finance officer will be responsible to procure goods and prepare overall financial reports for the business and advise the business manager on appropriate strategies for growth and sustainability of the business.
- **Production Manager:** This business will have a production manager. The production manager will be responsible to supervise the soap making processes. She will work with the finance officer to procure materials to be used for soap making.

- **Group Heads:** The heads of VSLAs within the Peace Hut will support the production manager in producing the soaps. They will mobilize and supervise their colleagues during soap making.
- **Sales Manager:** The sales manager will be responsible for the transportation of soap to markets, and establish relationships with retailers and wholesalers for the sale of soap to buyers.
- **Sale Agents:** Even though all peace hut members will be charged with the responsibilities to sell the soaps, the peace hut will have three members serving as sales agents for the business.

Figure 7: Management Structure



Staff capacity will be strengthened in operation, with priority on those who already involved with businesses to improve their skills. Regular user trainings will be scheduled frequently during the first year of operation to improve staff capacity in soap making and marketing.

4.0 Product / Service description

Iron soap is locally produced in Liberia and widely used by nearly every household in the washing of clothes, ditches, and even shower without any side effect.¹¹ It fits mainly emergency purposes¹². Iron soap has dominated the Liberian markets for years after the civil-war. Iron soaps are useful for laundry, dishes, cleaning floors, wood, automobiles, rubber, etc. They are not very useful for the skin and wearing/clothing like **box soap** (far superior to iron soap and it currently gaining recognition on the Liberian markets). However, iron soap is currently the leading soap business in Liberia, which means improving its production would result into higher benefits.

Experience shows that there is no single method of soap making. Traditional methods are mostly used to produce iron soap, liquid soap, and box soap. In soap making, the caustic solution should be added to oil rather than adding oil to the caustic¹³. Applying oil on caustic will result into a higher foaming product. Caustic should be put into a plastic wash tub first and then stirred with oil to produce instantly large and hard white soap. It

¹¹ <https://csaid.org/projects-gallery/rural-iron-soap-project/>

¹² Improving the Productivity and Profitability of Artisanal Soap Making in Liberia. March 26, 2013

¹³ Improving the Productivity and Profitability of Artisanal Soap Making in Liberia. March 26, 2013

⁴ Andrew Kovarik, Chief of Party, Winrock International, personal communication.

will required placing 2 liters of burned palm oil and 2.5 liters of caustic to produce iron soap. The soap will improve the longer it sits. When lower caustic is applied in one or two week production period (including time in and out of the box). These methods are mostly practice in the tropics because the palm kernel oil sets the soap up hard and fast. Farmers in Liberia rarely use palm kernel oil. This is because, processing the palm kernel into value-added oil is difficult for a small soap makers.⁴

Figure 8: Iron soap in production stage



5.0 Sales and marketing

All peace hut members will be responsible to reach out to their family members and friends through meetings and in other engagement to inform them on the soap making business. The peace hut members have started getting in touch with potential buyers in and out of Tuzon, to share information on the soap products availability, quality and quantity for marketing.

Additionally, the peace hut plans to use pricing as a major factor to build a positive relationship with customers. It plans to support public relations to create awareness on the business through installation of billboard and later flyer and radio jingle when necessary. In the future, it will open a Facebook page to share information of the products its offer and how to take advantage of all services provided at the peace hut.

6.0 Resource mobilization

The Tuzon Peace Hut has already committed about **600.00 United States Dollars** from its existing social fund to launch the business. The peace hut women will provide labour for this soap making business.

The Peace Hut intends to raise substantial amount of the estimated cost of the business from external sources. In addition to the social fund the peace hut has committed, UN Women has agreed to provide a small grant of **3,000.00 United States Dollars** to the peace hut to serve as initial capital to start this business. After the first-year's harvest, all revenues from the business will be reinvested in the business. The peace hut will source grants from development partners and government institutions and loans to expand the business.

7.0 Financial Plan (expenses and revenues forecast)

The financial forecasts (expenses and revenues) for the soap making business in the first five years of operation are presented in Table 1 and Table 2 below.

Table 1: Expected Expenses for the business

1.0 Soap Making Materials	Item	Quantity	Unit Cost	Total Cost-2021
1.1	Caustic	25	41.18	\$ 1,029.41
1.2	Oil	150	17.65	\$ 2,647.06
1.3	Plastic	5	4.88	\$ 24.41
1.4	Hand Gloves	10	4.85	\$ 48.53
1.5	Rubber Top	5	8.82	\$ 44.12
1.6	Barrow	3	17.65	\$ 52.94
1.7	Bucket	15	2.06	\$ 30.88
1.8	Kilo cup	4	1.18	\$ 4.71
1.9	Tapoline	2	29.41	\$ 58.82
1.1	Plank	6	5.88	\$ 35.29
1.11	Spoon	4	0.88	\$ 3.53
Sub-total				\$ 3,979.71
3.0 Salary cost				
2.1	Business Manager	1	\$ 15.00	\$ 15.00
2.2	Finance Officer	1	\$ 10.00	\$ 10.00
2.4	Sales and Marketing Manager	1	\$ 10.00	\$ 10.00
2.5	Sale Agents	2	\$ 5.00	\$ 10.00
2.6	Security	1	\$ 5.00	\$ 5.00
Sub-total				\$ 50.00
4.0 Other cost				
3.1	Billboard	1	\$ 25.00	\$ 25.00
3.2	Transportation - truck rental	1	\$ 100.00	\$ 100.00
Sub-total				\$ 125.00
Total Cost				\$ 4,154.71

Table 2: Expected revenues for the business

1.0 Revenue		Quantity	Unit Cost	Total Cost
1.1	Iron Soap	30	\$ 176.47	\$ 5,294.12
Total Revenue				\$ 5,294.12

7.1 Important Assumptions

Every household in Tuzon and surrounding towns depend on Iron soap for cleaning purposes. Iron soap production is limited and the community is mostly supply by traders who bring in the soap, and the Tuzon Peace Hut soap making business has potential to grow. That residents of the Tuzon Town will purchase iron soap mostly from the peace hut business; that caustic and oils as main ingredients are availability in the country; that the peace hut acquired the needed resources to purchase and keep stocks to meet the soap needs of the community, and that the peace hut spends only on salaries, utilities, and Soap Makings in the first year of operation.

7.2 Benefit - Cost Analysis

From the cash flow in Table 3 below, the Tuzon Peace Hut has estimated the cost of soap making at **4,162.73 United States Dollars** to produce 30 (50kg) bags of Iron soap. This includes production, procurement and transporting of soap, salary payment and construction of a billboard. It has also projected the revenues of the business at **5,366.88 United States Dollars** with a margin of **1,204.14 United States Dollars** in the first one year of operation. Results of the financial analysis (the revenue and cost ratio) prove feasibility of the business.

$$R/C \text{ benefit} = \$5,366.88 / \$4,162.73$$

$$R/C \text{ benefit} = 1.29$$

Table 7: Projected Profit and Loss

Cash Flow	June 2021	Dec. 2021	June 2022	Dec. 2022	June 2023	Dec. 2023	June 2024	Dec. 2024	June 2025	Dec. 2025
Revenue	\$5,366.88	\$7,396.44	\$7,397.44	\$7,406.00	\$7,407.00	\$7,415.57	\$7,416.57	\$7,425.14	\$7,426.14	\$7,434.71
Cost	\$4,162.73	\$4,170.77	\$4,196.89	\$4,204.93	\$4,243.30	\$4,251.37	\$4,290.56	\$4,298.65	\$4,338.62	\$4,346.73
Profit/Margin	\$1,204.14	\$3,225.67	\$3,200.55	\$3,201.07	\$3,163.70	\$3,164.20	\$3,126.00	\$3,126.48	\$3,087.52	\$3,087.98

In the first year, and in all five years of operation, the estimated cost of operating the business is less than the projected revenues. This Table clearly shows the potential and profitability of the proposed soap making business.

7.3 Financial management

The Tuzon Peace Hut will use bookkeeping, record management, budgeting, financial reporting as strategies to ensure proper financial management. The peace hut will make use of financial management guide in their possession that provides practical steps on how to build and run an effective financial management system. It will use the financial management guide as a reference document to build a robust financial management system for the business. It will also build on knowledge and practice used in operating the VSLAs. The peace hut has since applied skills acquired from these trainings to operate their VSLAs. This will help the peace hut put in place system to record financial transactions for the business.

8.0 Business development

In year two and the succeeding years, the Tuzon Peace Hut will reinvest all proceeds of the business in year one to engage in the production of liquid soap and box soap. This will be to support the peace hut and small-scale soap makers in advancing their businesses. To achieve this plan, the peace hut will partner with other soap producing institutions including J-Palm Liberia to make box soaps and other advanced soaps for the local Liberian markets.

Figure 9: Mixed soap box produced by J-Palm Liberia



9.0 Risk Assessment

Heat and oxygen are particularly hard on soap products. They are subject to spoil and go rotten. Soap products diminish in quality and appearance when there is no proper storage. They must be kept in a cool place to maintain quality. The Tuzon Peace Hut women will keep all materials for soap making out of the sun. It will remove leftover oils or soap from metal drum and transfer them to a smaller container with a tight fitting cover. The peace hut plans to build a storage for the soap business.

In addition, the Peace Hut will employ women with experience in soap making who will ensure the soap are protected from spoiling and or losing quality before they are sold and used. To protect the business from waste, the Peace Hut will put in place robust financial management systems and ensure periodic reporting of business operations.

GANTA BORDER CASSAVA AND PEPPER BUSINESS PLAN



BUSINESS PLAN DEVELOPMENT CONSULTANT

ABRAHAM BILLY

April 13, 2021

With support from the Peace Building Fund



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Executive summary

The Ganta Peace Hut was established in 2018, and has a current membership of 150 members (all women). The Peace Hut is situated within Ganta City, which is located just south of the Guinea border. Ganta is located at the intersection of major highways that run to Guinea, Ivory Coast and South-eastern Liberia. Ganta is the busiest commercial centre in Nimba County, with a number of banks, hotels, stores, bars and restaurants.

The Ganta Peace Hut intends to venture into cassava and pepper business. Cassava is considered the second-most consumed staple food in Liberia. The demand for cassava is high in Liberia. GB is one specific product of cassava that is largely consumed in Ganta (and across Nimba), which is made from pounded cassava. The consumption of GB in Nimba County provides a large domestic market for cassava within the county. Cassava is a profitable business especially when processed. After harvest, cassava farmers sell a very small part of their products to local consumers and the highest share to wholesalers.

The demand for pepper is steady as a result of its daily consumption by Liberian households. Demand for hot peppers is steady throughout, although the supply is not. When wholesale prices of pepper are high in Monrovia, hot peppers from neighbouring Guinea are introduced into Monrovia markets. The importation of pepper from Guinea suggests that pepper production presents potential for growth. In addition, the growing trend of urbanization in Liberia suggests that urban demand for pepper will continue to increase in the coming years.

Local market does exist for cassava and pepper within Ganta and outside Ganta. As a busy commercial center, Ganta has countless restaurants and cook shops that sell products of cassava and use pepper sauce in their food for sale. Through the production and sale of cassava and pepper, the Peace Hut will be able to generate funds to empower women within the Peace Hut and make the Ganta Peace Hut financially sustainable. This business will also enable the Peace Hut to sustain services to its members in terms of mitigating and resolving community-level conflicts, and protecting the rights of women.

To implement this business plan, the Ganta Peace Hut has estimated the cost for producing and marketing cassava and pepper business at **\$3,279** and projected the revenue at **\$4,235**. From the cost-benefit analysis below, it can be seen that the proposed Ganta Peace Hut business is worthwhile. The business will start to make a minimum profit in the first year of operation.

The Ganta Peace Hut intends to raise substantial amount of the estimated cost of the business from external sources. It will source grants from development partners and government institutions and take loans to expand the business. To launch the business, it has committed **\$700.00 (United States Dollars)** from its existing social funds. The peace hut has also secured 10 acres of land and it will provide labour and tools for the brushing, planting and maintenance of the cassava and peppers farms. The UN Women has agreed to provide a small grant of **\$3,000.00** to the peace hut to serve as initial capital to start this business.

3.0 Introduction

The Ganta Peace Hut is one of three peace huts in Nimba County. The Peace Hut was established in 2018, and has a current membership of 150 members (all women). The Peace Hut is situated within Ganta City, which is located just south of the Guinea border.

Ganta is located at the intersection of major highways that run to Guinea, Ivory Coast and South-eastern Liberia. The Mano River, which is the border between Liberia and Guinea, passes through the northern part of Ganta. Ganta is the busiest commercial centre in Nimba County, with a number of banks, hotels, stores, bars and restaurants. The City contains Jackie's Guest House, the Alvino Hotel, the Beer Garden, Justina Bar and Restaurant, etc. According to the 2008 National Population and Housing Census, Ganta had an estimated population of 41,106.

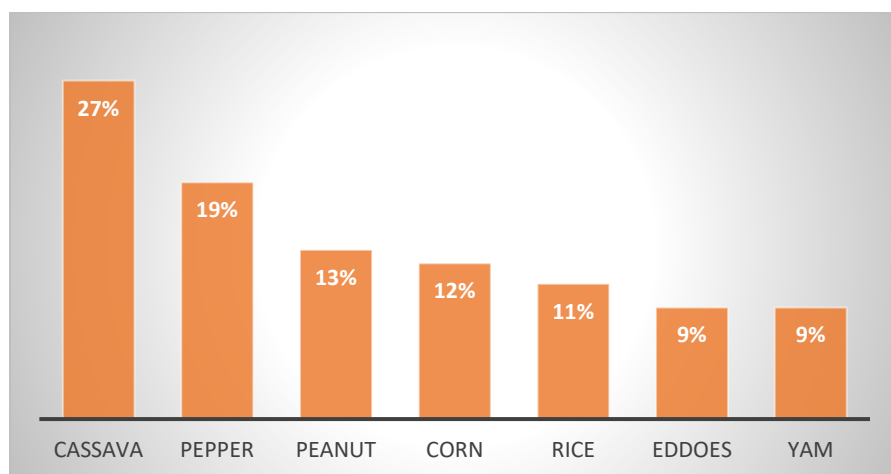
4.0 Market Analysis

2.1 Observation

The market analysis discovered that Ganta Peace Hut has an elementary school. The school is located on the same land with the peace hut building. The school was turned over to the Government of Liberia in 2017 immediately after it was constructed, and is being managed by both the government of Liberia and the Ganta Peace Hut leadership. About 80% of the proceeds from the school is under the control of the peace hut leadership. Proceeds are used mainly to expand the school. The peace hut is currently constructing an additional classrooms for the school.

It was revealed by the market analysis that the peace hut has capacity to engage in other businesses. Members of the peace hut have vast experience in agriculture activities. They have cultivated different crops including, cassava, rice, corn, peanuts, peppers, etc.

Figure 10: Prioritization of business



From Figure 1 below, the peace hut women interest in venturing into cassava and peppers production and marketing can be seen. The market analysis found that cassava is the second-most consumed staple food in Liberia. It further established the demand for cassava as high in Liberia. Local market does exist for cassava and pepper within Ganta and outside Ganta. As a busy commercial center, Ganta has countless restaurants and cook shops that sell products of cassava and use pepper sauce in their food for sale. The analysis revealed GB as one specific product of cassava that is largely consumed in Ganta (and across Nimba), which is made from pounded cassava. The consumption of GB in Nimba County provides a large domestic market for cassava within the county.

The analysis quoting a research report published by Coulibaly et al (2014), indicates cassava as a profitable business especially when processed. After harvest, cassava farmers sell a very small part of their products to local consumers and the highest share of the production is sold to wholesalers. There are other intermediaries such as village traders and county buyers. Wholesalers in turn sell fresh cassava to retailers who deliver to consumers. Another channel is made up of processors who sell their products to consumers already processed after supplied by wholesalers.

In Liberia, according to the market analysis, cassava is mainly traded as raw material. In the capital, Monrovia, cassava products in the two main markets (Red Light and Duala) are traded in both forms, fresh and processed. Fresh products are roots and leaves, and processed products include gari, deeper fufu, and starch. The processed products can be sold everywhere in Liberia.

The analysis shows demand for pepper is steady as a result of its daily consumption by Liberian households. Demand for hot peppers is steady throughout, although the supply is not. As study conducted by the United States Agency for International Development (2014) indicated that when wholesale prices of pepper are high in Monrovia, hot peppers from neighbouring Guinea are introduced into Monrovia markets. The importation of pepper from Guinea suggests that pepper production presents potential for growth. In addition, the growing trend of urbanization in Liberia suggests that urban demand for pepper will continue to increase in the coming years¹⁴.

From the market analysis conducted, it was found that pepper production in Liberia is mostly done during the rainy season. During the dry season, supply of fresh pepper products decreases, which is then substituted by supply of dried peppers from Guinea. Residents interviewed in Ganta reported that prices for fresh peppers in Ganta ranges from L\$1500 per 50-kg bag in the rainy season to about L\$6, 000 per 50-kg bag in the dry season. Some peace hut women reported that the price of pepper can reach L\$10,000 per 50-kg bag during the dry season. This price differential represents a significant opportunity for Liberian farmers if they can produce fresh peppers for the dry season market. In order to take advantage of this market opportunity, the Ganta Peace Hut plans to make use of lowlands that remain moist in the dry season to produce pepper. To take advantage of the price disparity, they also plan to dry and store peppers produced during the rainy season for dry season markets that could replace some of the dried pepper imports from Guinea.

The market analysis finds Ganta, Gbarnga, Kakata or Monrovia as suitable markets for the peace hut to trade the pepper and cassava products, while the main business location be at the Ganta Peace Hut. The Peace Hut plans to produce at least twice a year in order to take advantage of the existing market opportunity.

The market analysis revealed a serious competition exists in cassava and pepper businesses in Liberia. The analysis shows members of the peace hut and other community dwellers are engaged in cassava and or pepper production. It however revealed that farming in the community is mostly at subsistence level. The peace hut is knowledgeable of others involvement in producing these crops, and the consequent of low prices during harvest seasons. It found that the peace hut lack storage facility and equipment to engage in commercial farming.

The market analysis revealed that the peace hut does not have the required resources to produce cassava and peppers on 10 acres of land. It recommends that the peace hut outsource funding from external sources to add to their available social fund to operate the farms. The peace hut intends to commit the peace hut and the elementary school it operates as collateral.

¹⁴ USAID. 2014. Agriculture Value Chain Assessment

2.2 Business Description

From November 16-20, 2020, representatives of the Ganta Peace Hut participated in a business plan development training that was held in Totota, Bong County. In the training, participants were trained on how to conceptualize, select a business ideal, and develop a business plan. Building on the knowledge gained from the business plan development training, the Ganta Peace Hut members brainstormed and selected cassava and pepper production and marketing as their business to invest in. The Peace Hut selected these products based on their high demand in Ganta and across Liberia. Results of the market study show that these crops are scarce throughout the year, especially during the dry season (November to April). Despite cassava being the second staple food for residents of Ganta, its supply is less than demand. It was reported that most of the pepper consumed in Ganta comes from the neighbouring country of Guinea.

2.3 Vision of the business

The immediate and long-term vision of this business is to make the Ganta Peace Hut financially sustainable. Through the production and sale of cassava and pepper, the Peace Hut will be able to generate funds to empower women within the Peace Hut. This business will also enable the Peace Hut to sustain services to its members in terms of mitigating and resolving community-level conflicts, and protecting the rights of women.

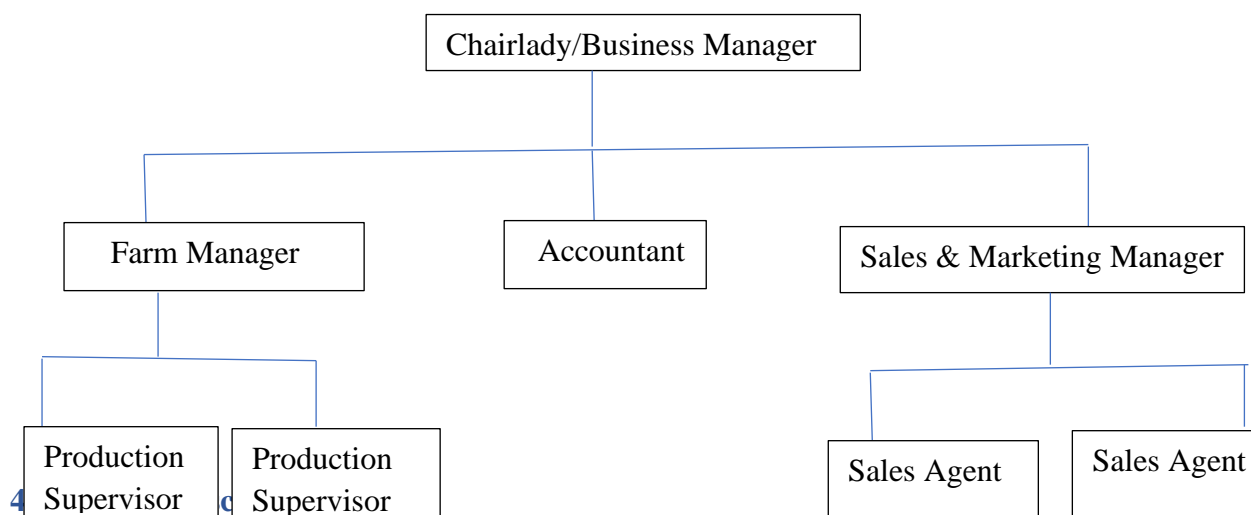
3.0 Business management structure

This business will be owned by the Ganta Peace Hut, and will be managed under the existing leadership of the Peace Hut. The Chairlady of the Peace Hut will provide overall leadership for the management of this business. All peace hut members will provide support to the running of the business. In instances where the Peace Hut does not have in-house skills to deliver on the roles and responsibilities of a specific position, the business will recruit dedicated staff to function in those roles. Effective and efficient management will play a critical role in the growth and sustainability of this business, as a result, the Peace Hut will put in place a strong team to manage the day-to-day operations of the business.

- The management structure for the business will include the Peace Hut Chairlady (who will serve as the **business manager**), farm manager, sales and marketing manager, production supervisors, and sales agents. The Peace Hut Chairlady will provide overall leadership and be responsible for accounting to the entire membership of the peace hut on the performance of the business. She will be responsible for the day-to-day management of the business and oversee the entire circle from production to sales.
- In order to ensure that a sound financial management system is in place, the Peace Hut will have an **accountant** who will record all incomes and expenditures from the start of the business. The accountant will be responsible to prepare overall financial reports for the business and advise the business manager on appropriate strategies for growth and sustainability of the business.
- The business will have a **farm manager** who will be responsible to direct land preparation, planting, maintenance, and harvest of the cassava and pepper.
- The heads of VSLAs (from the four VSLA groups) will work as **production supervisors**, and will be responsible to mobilize labour for work on the cassava and pepper farms.
- The Peace Hut will have a **sales and marketing manager**. After harvest, the sales and marketing manager will be responsible to secure buyers for the products, sell and record sales, prepare sales reports and supervise the work of sales agents. All sales in Ganta and in other markets (including Monrovia) will be planned and directed by the sales manager.

- The Peace Hut will have **sales agents**. They will all be peace hut members who will have the responsibility to establish contacts with restaurants, cook shops and households and sell products to potential customers. They will report directly to the sales and marketing manager on goods sold and brought forward.

Figure 11: Management Structure



Cassava is a tuberous edible plant that is grown widely in the tropics. It is cultivated throughout the tropical world for its tuberous roots, from which cassava flour, breads, tapioca, a laundry starch, and an alcoholic beverage are derived¹⁵. Cassava is a good source of dietary fiber as well as vitamin C, thiamin, folic acid, manganese, and potassium¹⁶.

Cassava is grown widely in most regions of Liberia. Cassava grows in most soils, even poor soils in Liberia. The crop has very high yields with an annual production estimated at 1,693,770MT (Food and Agriculture Organization, 2000). For best yield results, it is wise to choose light soils or loamy soils with flat or gentle slopes. The plant cannot stand water logging which makes its tubers rot. Stony soils are not suitable for cassava production¹⁷.

Cassava root products are eaten throughout the year as carbohydrate staple in the southwest and the central regions of Liberia as foodstuffs. In addition to the roots, cassava leaves are an important vegetable. Cassava is considered as crucial crop for poor Liberians as it is widely-grown and consumed. Cassava is the second most consumed crop in Liberia, after rice, and it constitutes significant dietary supplement to rice (Ministry of Agriculture and Food and Agriculture Organization, 2009)¹⁸. Cassava is produced by over 80% of farming households in Liberia.

Cassava is a main provider of calories in the diet of Liberians, and an important contributor to the Gross Domestic Product of the country¹⁹. Cassava is important for food security. Cassava leaves (greens) are an essential part of the Liberian diet. In Liberia, cassava is mainly traded as fresh or processed products. Fresh products are roots and leaves, representing 51% of the annual traded amount; whilst Gari, Deeper Fufu, Starch and Fufu are the processed products, representing 49% of traded cassava products²⁰.

¹⁵ <https://www.britannica.com/plant/cassava>

¹⁶ Ibid

¹⁷ <https://www.liberianobserver.com/columns/agriculture/growing-cassava-in-liberia/>

¹⁸ MOA and FAO (2009). Food and Agriculture policy and strategy “from subsistence to sufficiency”. Ministry of Agriculture Republic of Liberia Monrovia, Liberia. Accessed 10/6/2015.

¹⁹ O. Coulibaly et al. 2014. Regional Cassava Value Chains Analysis in West Africa: Case Study of Liberia

²⁰ Ibid

Depending on the soil type, an acre of cassava farm produces average yield of 4 tonnes. The peace hut may produce 16 tonnes of cassava on 4 acres, which is equivalent to 16,000kg.

Figure 1: Picture of farmer holding cassava in his hands



The second product selected by the Ganta Peace Hut for production is pepper, which is a widely-consumed sauce. In Liberian culture, a soup without pepper is considered to have no taste. From a very young age, children are introduced to hot peppers such as cayenne so that by adulthood they will have become accustomed to its burning sensation²¹. Nutritionists believe hot peppers have many components that are good for one's health, the main one being capsaicin. Capsaicin has many benefits, some of which include relieving headaches and allergies, protecting against stomach damage, increasing metabolism, and reducing hunger. Capsaicin is also loaded with antioxidants as well as vitamins A, B-6, C and K²².

Approximately, an acre of pepper farm can produce a yield of 2 to 4 tons of peppers. This means that the peace hut may achieve a yield of at least 2,000 kg of peppers per acre. Since the peace hut plans to cultivate about 2 acres of peppers, it expects to produce about 4,000kg of peppers in the first production phase.

Figure 1: Picture of pepper

²¹ <https://libpositives.com/blog/j66yx9thh37c2hf2845589ay2a3nws>

²² Ibid



5.0 Sales and marketing

As indicated above, cassava products are normally sold on local markets at the community level, or sold to wholesalers who transport the products to markets in other counties (especially Monrovia). The Peace Hut will target restaurants and cook shops in Ganta to sell their cassava and pepper products. They will also sell their products to wholesalers to purchase their products in bulk. As an alternative, the Peace Hut plans that it will transport its products to other markets in Gbarnga, Kakata or Monrovia for sale.

In terms of marketing, the peace hut women will use their networks to market their products. The peace hut women have relatives and friends that are operating restaurants and cook shops in Ganta. And some of the peace hut women themselves are operators of restaurants and cook shops. These networks will be used to share information on the availability of cassava and pepper at the Peace Hut, when the products are ready for sale. Additionally, the Peace Hut plans to install billboard describing its business. It will use the radio to advertise products, and will also use social media (Facebook) in the future to inform the public on products. It will make use of their VSLA and community meetings to share information on their products. The Peace Hut will develop new strategies in the future to educate the general public on different products that will be on sale.

6.0 Resource mobilization

The Ganta Peace Hut has already secured 10 acres of land in a town called Zuluyee that it will develop to produce cassava and peppers. Zuluyee is approximately 45 minutes' drive from Ganta. The peace hut women will provide labour for the brushing, planting and maintenance of the cassava and peppers farms. They will also use their farming tools for the cultivation of the farm. To subsidize the provision of food during the cultivation, peace hut members will contribute local food stuff to feed workers during the cultivation period. The Peace Hut has already committed its existing social funds of about **\$700.00 (United States Dollars)** to launch the business.

The Peace Hut intends to raise substantial amount of the estimated cost of the business from external sources. In addition to the social fund the peace hut has committed, UN Women has agreed to provide a small grant of **\$3,000.00** to the peace hut to serve as initial capital to start this business. After the first-year's harvest, all revenues from the business will be reinvested in the business. The peace hut will source grants from development partners and government institutions and loans to expand the business.

7.0 Financial Plan (expenses and revenues forecast)

The Peace Hut has estimated both the expected cost and revenues it would generate from the business to finance the first production year plans. Table 1 and Table 2 show the breakdown of expenses and how the peace hut intends to use and generate funds:

Table 8: Expected Expenses for the business

No.	Item	Quantity	Unit Cost	Total Cost-2021
1.0 Seeds				
1.1	Cassava Seeding (50kg bag)	50	5	250
1.2	Pepper seeds - (50kg)	4	100	400
2.0 Farming tools				
2.1	Cutlass	25	6	150
2.2	Hoe	25	3	75
2.3	Power saw rental	1	150	150
2.4	Wheel barrow	2	35	70
2.5	Buckets	4	15	60
2.6	Empty bags	400	1	200
2.7	Processing machine	1	980	980
Sub-total				2,335
3.0 Salary cost				
3.1	Business Manager	1	20	160
3.2	Accountant	1	15	120
3.3	Sales and Marketing Manager	1	15	60
3.4	Sale Agents	3	11	99
3.5	Security	1	10	80
3.6	Daily laborers	100	2	200
Sub-total				719
4.0 Other cost				
4.1	Billboard	1	25	25
4.2	Transportation - truck rental	1	200	200

Sub-total			225
Total Cost			3,279

Table 9: Expected revenues for the business

No	Item	Quantity	Unit Cost	Total Cost-2021
4	Cassava (50 kg bag)	320	9	2,824
4	Pepper (50 kg bag)	80	18	1,412
Total Revenue				4,235

7.1 Important Assumptions

Based on the production volume/capacity and sales price of the proposed produces, the expected revenues and expenses of the peace hut business are projected. These projections were made considering that the peace hut will get involved with cassava and pepper farming; that it will acquire the needed resources to operate the business; that it will sell its products not more than five per cent less the projected sales prices; and that the primary expenses of the peace hut will not exceed salaries, utilities, and inputs costs in the first year of operation.

7.2 Benefit - Cost Analysis

The estimated cost for producing and marketing cassava and pepper business is set at **\$3,279** and the total revenue is estimated at **\$4,235**. From the cost-benefit analysis below, it can be seen that the proposed Ganta Peace Hut business is worthwhile. The business will start to make a minimum profit in the first year of operation.

$$\text{R/C benefit} = \$4,235 / \$3,279$$

$$\text{R/C benefit} = 1.29$$

To further established feasibility of the business, the Ganta Peace Hut has projected the first five years of business operation in the cash flow in Table 3 below:

Table 10: Projected Profit and Loss

	2021	2022 June	2022 December	2023 June	2023 December	2024 June	2024 December	2025 June	2025 December
Total revenue	4,235	4,447	4,669	4,903	5,148	5,405	5,676	5,959	6,257
Total cost	3,279	1,612	1,651	1,697	1,741	1,792	1,839	1,895	1,948

Gross margin	956	2,836	3019	3,205	3,407	3,614	3,836	4,064	4,310
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From the above cash flow table, only in the first year (2021) the business will make minimum profit, the succeeding four years show significant profits. This means that the business project solid cash balance and net worth over the years of the plan. It is also expected that higher growth rates will be observed in the next five years of business operation.

7.3 Financial management

The Ganta Peace Hut has operated VSLAs for years, and has a system in place to record share contribution, loans taken by members, repayments, and interest accrued by the VSLAs. Building on this knowledge and practice, the Peace Hut was trained in financial management in 2020. The training covered bookkeeping, records management, budgeting, financial reporting, and financial and market planning. The training guide, in the possession of the Ganta Peace Hut, provides practical steps on how to build and run an effective financial management system.

The guide will be used as a reference document by the business accountant to build a robust financial management system for the cassava and pepper business that the Peace Hut will launch.

8.0 Business development

Upon initiation of the business, the Peace Hut intends to expand the business in the coming years. The initial steps to expanding the business will be to expand the land that will be cultivated to produce cassava and pepper. The Peace Hut plans to reinvest all proceeds from the first harvest into the second year's production in order to increase output and size of the business.

Secondly, the Peace Hut plans to expand the business through value additions. In the second and third years of the business, the Peace Hut will begin to produce gari, fufu, and starch from the cassava it produces for sale in Ganta and other markets. This value addition will enable the Peace Hut take advantage of higher prices from cassava products, as compare to selling the fresh cassava tubers and leaves.

Through an expansion of the business, the Peace Hut will be able to employ more of its members to enable them earn income and pay their VSLA shares on a timely basis. In the coming years, the Peace Hut will build a production house where it will process cassava into different products, as well as process and baggage pepper for sale.

In the near future, the Peace Hut will seek to partner with firms in Monrovia that are producing pepper sauces to produce pepper sauces in Ganta. In such arrangement, the Peace Hut will produce the raw material for the production and will get a share of the profits from the sales of the pepper sauces. After gaining sufficient knowledge and skills on the production of pepper sauces, the Peace Hut will venture into the production of pepper sauces by itself.

9.0 Risks and mitigation strategies

There are a number of risks associated with the production and sale of cassava and pepper in Liberia. These risks include crop diseases, pests, post-harvest losses, mismanagement of proceeds from the farms, among others.

As regular growers of cassava and peppers, the peace hut women will employ available techniques to protect the crops from pests, reduce post-harvest and other losses. In addition, the Peace Hut will employ a full-time farm manager who will manage the farms from planting to harvest.

Post-harvest losses will be minimised because the Peace Hut will have a sales and marketing manager that will plan the sales of products before they are harvested. This will help ensure that buyers are available for products before harvest takes place.

DORROBO PEACE HUT PLANTAIN AND BANANA BUSINESS PLAN



**BUSINESS PLAN DEVELOPMENT CONSULTANT
ABRAHAM BILLY**

April 13, 2021

With support from the Peace Building Fund



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Executive summary

The Dorrobo Peace Hut was established in 2018 and has a membership of 60 (56 women and 4 men) who are found in two Village Saving and Loan Associations (VSLAs). The peace hut is located in Dorrobo Statutory District in Maryland County with an estimated population of 20,938. The population is predominantly a farming community where most residents are involved with subsistence agriculture, hunting and fishing. Residents of Dorrobo sell agricultural products mainly in Pleebo City. Pleebo is the busiest city in Maryland and can be compared to Ganta in Nimba.

Results of the market analysis ignited interest of the Dorrobo Peace Hut in investing in plantain and banana business. It revealed a high demand for banana and plantain in Liberia. It shows that banana and plantain supplies have never met the local demand. The products are also in demand in neighbouring countries, but Liberia exports little volumes of the products to meet their demands. Neighbouring country, Ivory Coast offers higher prices for plantain and banana. Liberia exports banana and plantain to neighbouring counties including Ivory Coast and Guinea.

Plantain and banana are used to produce medicines and for local consumption. These crops are also sources of mulch and fertilizer, animal fodder, wrapping, eating utensils, and roofing. When processed, they can be used for textiles/papermaking and their peels can be used as animal feed or left to decompose on the field. Banana and plantain can as well be used to produce biogas for cooking, heating, and electricity production.

This plantain and banana business is expected to make the Dorrobo Peace Hut financially sustainable. The business will help empower peace hut members and reduce their economic vulnerabilities. The current leadership structure of the Dorrobo Peace Hut will manage the business. Members of the Peace Hut will be shareholders in the business and will contribute to the success of the business.

The estimated cost for operating the plantain and banana business is **3,325.76 United States Dollars** and a projected revenue of **4,264.71 United States Dollars**. The benefit/cost analysis ratio is **1.28**, indicating that the proposed peace hut plantain and banana business is worthwhile and sustainable.

The Dorrobo Peace Hut has already secured 6 acres of land for the production of plantain and banana. The peace hut will provide labour, some farming tools and commit its social fund of about **500 United States Dollars** for preparatory activities. The UN Women has agreed to provide a small grant of **3,000.00 United States Dollars** to the peace hut to serve as initial capital to start this business. After the first-year's harvest, all revenues from the business will be reinvested in the business. If the first year's proceeds are insufficient to finance the second year's plan, the peace hut will source grants from development partners and government institutions and take loans from financial institutions.

5.0 Introduction

The Dorrobo Peace Hut was established in 2018. The Peace Hut comprises of 60 members (56 women and 4 men) who are found in two Village Saving and Loan Associations (VSLAs). It is headed by a Chairlady, who is assisted by a co-chair, secretary, treasurer, financial secretary and advisor.

Dorrobo Peace Hut is located in Dorrobo Statutory District in Maryland County. According the Liberia Institute for Statistic and Geo-Information Services (LISGIS, 2008) there are three administrative districts within Dorrobo Statutory District, including Noyaken (**Population: 10,057**) District, Gwlekpokeh District (**Population: 10,060**), and Whojah District (**Population: 8,921**). The district

constitutes 21 per cent of the total population of Maryland County. The population is predominantly a farming community where most residents are involved with subsistence agriculture, hunting and fishing. Residents of Dorrobo sell agricultural products mainly in Pleebo City.

2.0 Market Analysis

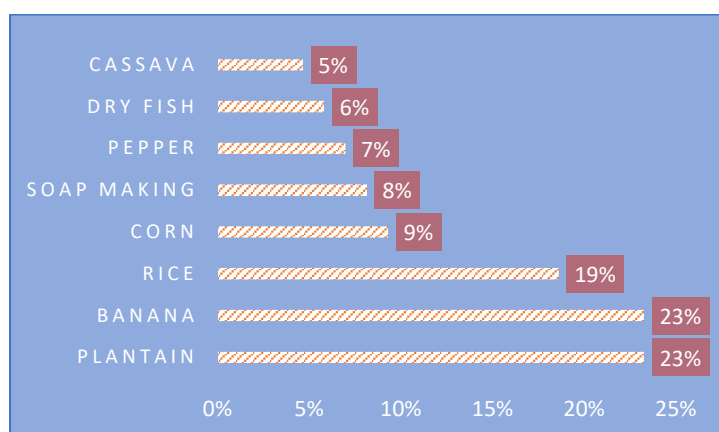
2.1 Observations

Results of the market analysis show that members of the Dorrobo Peace Hut have been engaged in farming activities for years. It founds members of the peace hut as seeing farming as a way of life and having good experience in agriculture. The peace hut has cultivated a rice farm before, which proceeds will be used to support the implementation of this business plan.

During the market analysis, peace hut leadership declared having good knowledge in making farm “as a business,” referencing their participation in previous trainings in agriculture practices and the most recent training in business planning and development conducted by UN Women for peace hut leaderships. The peace hut women would however need some support in terms of coaching and mentoring for a successful agriculture business. The peace hut registered it lacks storage facility and equipment for merchandise farming. To operate a successful largescale agriculture farm, the peace hut would need to invest in purchasing modern agriculture equipment and construction of a storage facility. The peace hut declared it will not prioritize acquiring processing production and processing equipment and the construction of a modern storage facilities in the first year of business operation. It was revealed that the peace hut will focus mainly on crop production and marketing in the first year of this business plan implementation. The peace hut will cultivate crops on six acres of land (4 acres for plantain and 2 acres for banana).

The peace hut listed and rated seven different crops in order to identify a suitable crop for business. Figure 1 below indicates plantain and banana as the crops of interest to the peace hut for business. The peace hut will only invest in cassava, rice, corn, soap making, dry fish or pepper if funding is sufficient to do additional business.

Figure 12: Prioritization of business



The market analysis revealed a high demand for banana and plantain in Markland County exist. A study conducted by Ishmael F. Menkor in 2018 shows a growing demand for plantain and banana in Liberia and neighbouring Ivory Coast²³. Supply of banana and plantain has never met the demand of the Liberian market. It further established that demand of the products in neighbouring countries, including Ivory Coast is high and prices are higher than what is offered on local Liberian markets. The plantain and banana buyers from neighbouring countries often travel to bordering towns in Liberia to buy the products. Trucks load of banana and plantain are often seen headed to bordering towns.

Figure 13: Truck loaded with plantain and banana



In Ivory Coast, it is reported that the products are used to produce medicines and for local consumption, while in Liberia they are largely used for consumption. Their stems and leaves are sources of mulch and fertilizer, animal fodder, wrapping, eating utensils, and roofing. They can be processed into textiles/papermaking, and their peels can be used as animal feed or left to decompose on the field. Banana and plantain can as well be used to produce biogas for cooking, heating, and electricity production. It is estimated that about 32,000 dry tonnes of peels are generated annually in Liberia.

The peace hut is aware of the little competition in the agriculture sub-sectors of plantain and banana in Liberia. It knows that every farmer in the community is engaged in plantain and banana farming. The peace hut is also aware that the crops are largely being intercropped with other cash crops like coffee and cocoa, and not as standalone crops. Growers have limited knowledge of the existing demand for the products, especially on foreign markets. It is only in bordering counties that growers are motivated based

²³ Plantain Shortage Likely To Hit Liberia. Ishmael F. Menkor (2018)

on the incentive they receive from foreign traders. Quantities of the products taken to the local and foreign markets are still less than the demand. This has ignited the peace hut interest in investing in the crops for business.

However, the market analysis revealed that the peace hut does not have the required resources to finance this business plan. It would have to outsource funding from external sources that will add to their social fund and proceeds from the previous farms to operate this business plan.

2.2 Business Description

In March 2020, the leadership of Dorrobo Peace Hut brainstormed and selected plantain and banana as the preferred business for the peace hut to invest in. The decision to invest in this business was informed by results of the market analysis and the suitability of the soil and demand for the crops in Dorrobo and Maryland.

2.3 Vision of the business

The vision of this business is to make Dorrobo Peace Hut financially sustainable. The intent of the business is to reduce the Peace Hut's reliance on social funds from VSLAs for the operation of the Peace Hut. In addition to sustaining the Peace Hut, the business will help empower peace hut members and reduce their economic vulnerabilities.

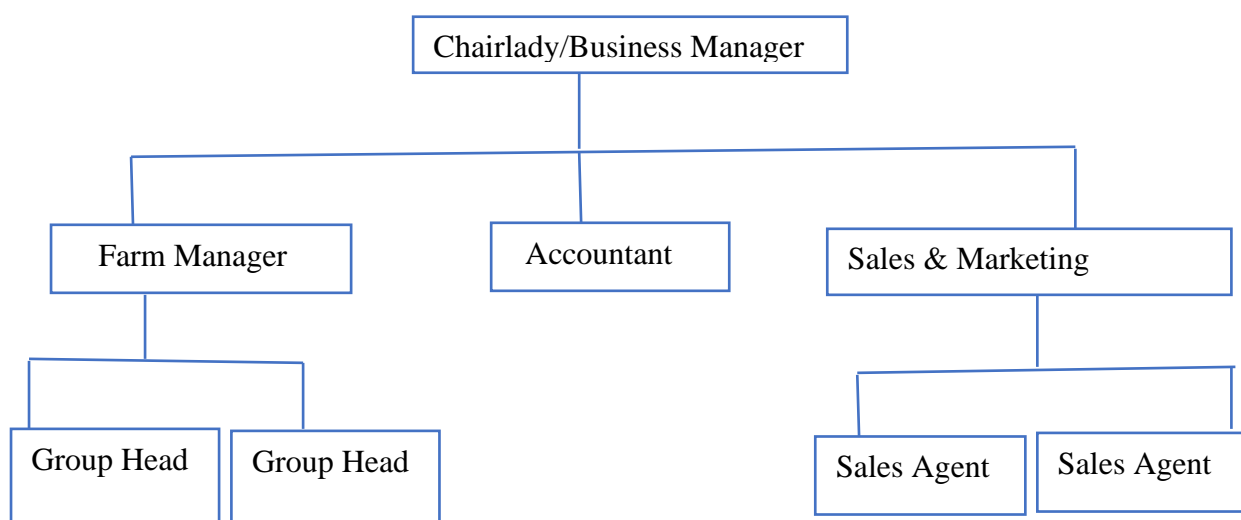
3.0 Business management structure

The current leadership structure of the Dorrobo Peace Hut will manage the business. Members of the Peace Hut will be shareholders in the business and will contribute to the success of the business. The structure below will work to manage the business:

- **Business Manager:** The Peace Hut Chairlady will serve as the manager of the business. She will oversee the planting process, maintenance of the farm, harvest and sale of the plantain and banana, with support from the other staff and peace hut members.
- **Finance Officer:** The Peace Hut's Financial Secretary will be responsible to set up and manage the finances of the business, and will record all incomes and expenditures of the business. The finance officer will be responsible to make financial reports to the business manager and the Peace Hut in consultation with the business staff.
- **Farm Manager:** The farm manager will lead all works at the farm and will be responsible to supervise the planting and maintenance of the farm. She/he will work with VSLA chairs to mobilise members of the peace hut during production.
- **Group Heads:** The heads of VSLAs within the Peace Hut will serve as support staff to the farm manager in producing the plantain and banana. They will mobilise and supervise their colleagues during activities implementation to producing the plantain and banana.
- **Sales Manager:** The sales manager will be responsible for the transportation of plantain and banana to markets, and establish relationships with retailers and wholesalers for the sale of plantain and banana to buyers.

- **Sale Agents:** Even though all peace hut members will be charged with the responsibilities to sell the farm products, the business will have three members serving as sales agents for the business. They will be responsible to take the products to buyers and report to the sale manager.

Figure 14: Management Structure



4.0 Product description

West Africa is one of the major plantain-producing regions of the world, accounting for about 32% of worldwide production²⁴. The region also cultivate Banana but account for only 2.3% of worldwide production. Liberia is not among the major plantain producing counties in the region, but among the major banana-producing countries in the region.

Banana and plantain are among major food and cash crops produced in Liberia. They are very important to food security during the hunger season because they produce fruit year-round²⁵. Between May and October, when all the food from the previous harvest has been consumed, and the next harvest hasn't begun, plantain and banana are the substitutes. In Liberia, plantain is the most important crop grown by women and the third most important for men, after cacao and rubber²⁶. Plantain is a shade crop for cacao saplings and such systems are common in Liberia.

Plantain and banana are mostly grown upland with a mixed cropping system that usually includes rice, maize and cassava as well as local vegetables such as pepper and bitter balls²⁷. Plantain and banana farming activities include brushing, felling, burning, clearing, ploughing and harvesting. They are cultivated by small-scale farmers in every county for household consumption and market supply. The annual production of banana is estimated at 110,000 tonnes and 42,000 tonnes for plantain. An estimated 2.9 million tonnes of banana and plantain are produced on about 29,000 hectares of land in Liberia annually. According to Sheikh (1989)²⁸, the crops regenerate new plants.

²⁴ Banana and plantain in West Africa: Production and marketing. March 2020. [African Journal of Food, Agriculture, Nutrition and Development](https://doi.org/10.18697/ajfand.90.18365) 20(02):15474-15489. DOI:10.18697/ajfand.90.18365

²⁵ Anelia Milbrandt (2009). Assessment of Biomass Resources in Liberia Prepared for the U.S. Agency for International Development (USAID) under the Liberia Energy Assistance Program (LEAP)

²⁶ Norgrove, L., Hauser, S. Improving plantain (*Musa* spp. AAB) yields on smallholder farms in West and Central Africa. *Food Sec.* 6, 501–514 (2014). <https://doi.org/10.1007/s12571-014-0365-1>

²⁷ CAAS-Lib_Synthesis_Report_Vol.1.

²⁸ Sheikh, N. (1989). The preservation of banana crop residues through ensiling process. Department of Animal Production, Faculty of Agriculture, Somali National University. <http://www.fao.org/wairdocs/ILRI/x5490E/x5490e0v.htm>

Figure 15: Plantains grow well in Liberia



5.0 Sales and marketing

The Dorrobo Peace Hut will sell banana and plantain on the local Liberian markets and in neighbouring countries. The primary markets for the business will be local Liberian markets, including Gwelekpoken, Nyorken, Whojah, Pleebo and Harper and as well as in Ivory Coast. Additionally, the plantain and banana will also be sold to retailers and wholesalers who buy plantain and banana at the peace hut building.

The peace hut has identified individuals and established relationships with retailers and wholesalers around Dorrobo to purchase their products. To take advantage of higher prices, the Peace Hut will build links with banana and plantain buyers from Ivory Coast for the supply of products in the neighbouring country.

6.0 Resource Mobilization

The Dorrobo Peace Hut has already secured 6 acres of land for the production of plantain and banana. The peace hut will provide labour and some farming tools. Through its social fund of about **500 United States Dollars**, the peace hut has started preparing the farm land. The peace hut is providing feeding from the proceeds of its previous farm for the preparatory work. In addition to proceeds from its previous farm, members of the peace hut are contributing local food stuff to feed workers during the production period.

The Dorrobo Peace Hut intends to raise substantial amount of the estimated cost of the business from external sources. In addition to the social fund the peace hut has committed, UN Women has agreed to provide a small grant of **3,000.00 United States Dollars** to the peace hut to serve as initial capital to start this business. After the first-year's harvest, all revenues from the business will be reinvested in the business. If the first year's proceeds are insufficient to finance the second year's plan of business expansion, the peace hut will source grants from development partners and government institutions and take loans from financial institutions.

7.0 Financial Plan (expenses and revenues forecast)

Table 1 and Table 2 below present the breakdown of expenses and revenue forecast for the first one year of the business operation.

Table 11: Expected Expenses for the business

1.0 Plantain and Banana	Item	Quantity	Unit Cost	Total Cost-2021
1.1	Plantain stand	2500	\$0.12	\$294.12
1.2	Banana stand	1500	\$0.12	\$176.47
Sub-total				\$470.59
2.0 Farming Materials				
2.1	Cutlass	30	\$6.00	\$180.00
2.2	Hoe	30	\$3.00	\$90.00
2.3	Power saw rental	1	\$100.00	\$100.00
2.4	Wheel barrow	2	\$35.00	\$70.00
2.6	Empty gallons	150	\$1.00	\$150.00
2.7	Axe	3	\$3.00	\$9.00
2.8	File	3	\$4.00	\$12.00
Sub-total				\$1,552.18
3.0 Salary cost				
3.1	Business Manager	1	\$15.00	\$120.00
3.2	Finance Officer	1	\$13.00	\$104.00
3.3	Farm Manager	1	\$13.00	\$104.00
3.4	Sales and Marketing Manager	1	\$13.00	\$52.00
3.5	Group Heads	2	\$10.00	\$20.00
3.6	Sale Agents	3	\$10.00	\$90.00
3.7	Security	1	\$6.00	\$48.00
3.8	Daily labourers	120	\$2.00	\$240.00
Sub-total				\$778.00
4.0 Other cost				
4.1	Billboard	1	\$25.00	\$25.00
4.2	Transportation - truck rental	1	\$500.00	\$500.00

Sub-total				\$525.00
Total Cost				\$3,325.76

Table 12: Expected revenues for the business

1.0 Revenue				
1.1	Plantain (small bunch)	2500	\$1.18	\$2,941.18
1.2	Banana (small bunch)	1500	\$0.88	\$1,323.53
Total Revenue				\$4,264.71

7.1 Important Assumptions

The Dorrobo Peace Hut women expect to acquire the needed resources to operate the banana and plantain business; that it will cultivate 6 acres of land (4 acres for plantain and 2 acres of banana); that the peace hut will sell a bunch of plantain at least 240 Liberian Dollars and a bunch of banana for at least 150 Liberian Dollars; and that the primary expenses of the peace hut will not exceed salaries, utilities, and inputs costs in the first year of operation as estimated in this plan.

7.2 Benefit - Cost Analysis

The financial analysis shows total expenses of the business as **\$3,325.76** and a projected revenue of **\$4,264.71** all in United States Dollars. The benefit/cost analysis ratio is **1.28**, indicating that the proposed peace hut plantain and banana business is worthwhile and sustainable.

$$\text{R/C benefit} = \$4,264.71 / \$3,325.76$$

$$\text{R/C benefit} = 1.28$$

Table 13: Projected Profit and Loss

Cash flow	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	\$4,264.71	\$5,006.03	\$5,019.86	\$5,033.69	\$5,047.54
Expense	\$3,325.76	\$3,333.36	\$3,340.96	\$3,348.56	\$3,356.17
Profit	\$938.94	\$1,672.67	\$1,678.90	\$1,685.13	\$1,691.37

The cash flow analysis in Table 3 above presents the expenses and projected revenues for the first five years of business operation. It shows that the business will start to make a significant profit in the first year of operation. The profit is expected to almost double in the second year and the succeeding years of business operation provided the peace hut continue to cultivate on 6 acres or more during the implementation of this business plan.

7.3 Financial management

The Dorrobo Peace Hut will build the financial management systems in place that records all transactions of the VSLAs within the peace hut for proper accounting and control of the plantain and banana business. It will utilize the knowledge and skills it has acquired from the business and financial management training to run the business. The peace hut will always reference the financial management guide it received during the business planning and financial management training in Totota to ensure its financial records are tight.

8.0 Business development

The Peace Hut plans to expand the banana and plantain business by increasing the volume of plantain and banana in year two and succeeding years. As the volumes of plantain and banana increase, the Peace Hut will work with companies in Liberia or Ivory Coast to establish processing plant in Pleebo for the production of added value products as well as the production of mulch and fertilizer, animal fodder, wrapping, eating utensils, roofing and textiles/papermaking, and animal feed for the local markets.

9.0 Risks and mitigation strategies

The labour force in Liberia has limited training on banana and plantain production. The road network is bad which makes transportation costs for plantain and banana high. Pests and diseases are the major constraints affecting banana and plantain production in West Africa²⁹. For example, the banana weevil damages plants primarily by burrowing through the corm and rootstock, weakening the plant and causing stem breakage³⁰. Banana weevils cause snapping of fruit bearing plants, which forces farmers to give continuous attention to the pest. The peace hut plans to mitigate these risks by providing on the job training to staff of the peace hut business and applying traditional practices in pest and disease control.

²⁹ Bifarin, J. O., & Folayan, J. A. (2009). Plantain Production In Ondo State, Nigeria: The State Of The Arts: 2006/2007. Continental Journal of Agricultural Science, 3. Retrieved from http://wiloludjournal.com/ojs/index.php/cjAgsc/article/viewFile/870/pdf_395

³⁰ Gold C.S. and Messiaen S. (2000). The banana weevil. *Cosmopolites sordidus*. Pest Fact Sheet No 4. www.bioversityinternational.org.

FOODSTUFF BUSINESS PLAN FOR BO WATERSIDE PEACE HUT



**BUSINESS PLAN DEVELOPMENT CONSULTANT
ABRAHAM BILLY**

April 3, 2021

With support from the Peace Building Fund



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Executive summary

Bo Waterside Peace Hut was established in 2018. The peace hut has a membership of 56 persons (51 women and 5 men) who are all found within two Village Saving and Loan Associations (VSLAs). The peace hut is located along the Mano River, which is an international border point between Liberia and Sierra. Bo Waterside is a major commercial city in Tewor District in Grand Cape Mount County. Residents of the district are mostly engaged in trade and farming activity.

The market analysis found that members of Bo Waterside Peace Hut are largely traders. Most of them operate table markets at Bo Waterside. They trade mainly in dry goods, foodstuff, clothes and cosmetic. Large number of residents from nearby communities and traders trade at Bo Waterside. Most of the goods traded at Bo Waterside is imported and relatively cheaper than goods sold in communities in neighbouring Sierra Leone. The analysis also shows a high demand for foods in the community. It also discovered foods business as one of the best businesses to start when you wish to grow steadily. It indicates food as an essential need which demand can never drop. The rate of food consumption in Liberia is higher than its production, which makes food business considered a money-making activity. Knowledge of this led to the Bo Waterside Peace Hut decision to invest in foodstuff business.

The goal of this foodstuff business is to make the Bo Waterside Peace Hut financially sustainable. It is expected to empower women within the peace hut. This foodstuff business will see the peace hut sustaining its services to members in terms of mitigating and resolving community-level conflicts, and protecting women's rights.

The current leadership structure of the Bo Waterside Peace Hut will manage the business. Members of the peace hut will be shareholders in the business and will contribute to the success of the business. The peace hut will sell the foodstuff at the Bo Waterside Peace Hut and on local market grounds in Bo Waterside and in nearby communities in Liberia and Sierra Leone.

The peace hut has estimated the total cost of operating the foodstuff business as **4,402.50 United States Dollars**, and project the revenues at **4,688.86 United States Dollars** with a margin of **286.36 United States Dollars** in the first three months of operation. The financial analysis results prove feasibility of the foodstuff business.

The Bo Waterside Peace Hut has already committed its existing social funds of about **500.00 United States Dollars** to launch the business. The social funds will go towards preparation of the foodstuff business. The peace hut women will provide labour for the foodstuff business.

The Peace Hut intends to raise substantial amount of the estimated cost of the business from external sources. In addition to the social fund the peace hut has committed, UN Women has agreed to provide a small grant of **3,000.00 United States Dollars** to the peace hut to serve as initial capital to start this business. After the first-year's operation, all proceeds from the business will be reinvested in the business. The peace hut will source grants from development partners and government institutions and loans to expand the business.

6.0 Introduction

The Bo Waterside Peace Hut was established in 2018. The peace hut has a membership of 56 persons (51 women and 5 men) who are all found within two Village Saving and Loan Associations (VSLAs). It is headed by a Chairlady, who is assisted by a co-chair, secretary, treasurer, financial secretary and advisor.

Bo Waterside is located along the Mano River, which is an international border point between Liberia and Sierra. Bo Waterside is a major commercial city in Tewor District in Grand Cape Mount County. According to the 2008 National Population and Housing Census conducted by Liberia Institute for Statistic and Geo-Information Services (LISGIS), the Tewor District has an estimated population of 27,460. The population is mainly engaged in trade and farming activity. Residents of nearby communities in Liberia and in Sierra Leone travel to Bo Waterside to buy and sell goods.

7.0 Market analysis

2.1 Observation

The market analysis found that members of Bo Waterside Peace Hut are largely traders. Most of the members of the peace hut has tables at Bo Waterside market. They trade mainly in dry goods, foods, clothes and cosmetic. Large number of residents from nearby communities and traders trade at Bo Waterside. Most of the goods traded at Bo Waterside is imported and relatively cheaper than goods sold in communities in neighbouring Sierra Leone. The analysis also shows a high demand for agriculture products at Bo Waterside. It recorded high incentives for agriculture.

The market analysis revealed that residents of Bo Waterside are less involved in agriculture activity, even though it is rural urban settlement. According to some peace hut members and other community dwellers, there are serious risk associated with largescale farming in Bo Waterside. It was reported that most farm operators have stopped farming activity in the community due to high criminality. Women responding to questions during the market analysis pointed at that the community members witnessing farming activity in the community are the ones who mostly benefit through thievery. The peace hut women expressed serious interest in agriculture but established no willingness to engage into it. Their decision not to invest in agriculture was shown during the scoring process of business prioritization. Figure one below indicates that the Bo Waterside Peace Hut is interested in operating a foodstuff business.

Figure 16: Business prioritization



The market analysis shows foodstuff business as one of the best businesses to start when you wish to grow steadily. The analysis found food as an essential need which demand can never drop. The rate of food consumption in Liberia is higher than its production, which makes foods business considered a money-making activity.

The market analysis found a significant difference between prices of imported and local foodstuff. It observed that input cost of local foodstuff production is high, which affects local food prices. It also revealed that a large percent of the Liberian population is poor, living on less than dollar a day. A high percentage of the population prefers imported foodstuff to local due to affordability. Thus, investing in foodstuff (especially imported foods) business has a great potential and the ability to generate a steady income.

The market analysis shows little competition in the foodstuff business in Bo Waterside. Most of the foodstuff operators are small business owners. These enterprises have never met the demand for foodstuff in Bo Waterside, thus, demands has always outweighed supply. The market analysis concluded that the foodstuff business has the potential to be quite busy, serving over 5000 residents of Bo Waterside and beyond.

It was revealed that the peace hut does not have the required resources to operate this foodstuff business. The peace hut will have to source grants from external sources to add to their available social fund to operate the business. The peace hut intends to commit the peace hut as collateral to institution/individual willing to offer the peace hut loan.

2.2 Business Description

Bo Waterside Peace Hut has participated in trainings relating to financial management, peacebuilding, leadership and organizational management. The most recent training it participated in was business planning and development and financial management training in 2020. During the business plan training, representatives from Bo Waterside Peace Hut received training on how to conceptualize, select a business ideal, and develop and implement a business plan.

Building on the knowledge gained from the business plan development training, the Bo Waterside Peace Hut leadership brainstormed and selected foodstuff as business of interest. They selected foodstuff business among 8 businesses they had listed. This was informed by the results of the market analysis conducted with the peace hut women during the business plan development exercise. They also based on

the high demand for foodstuff in Bo Waterside and the nearby communities, particularly from neighbouring Sierra Leone.

2.3 Vision of the business

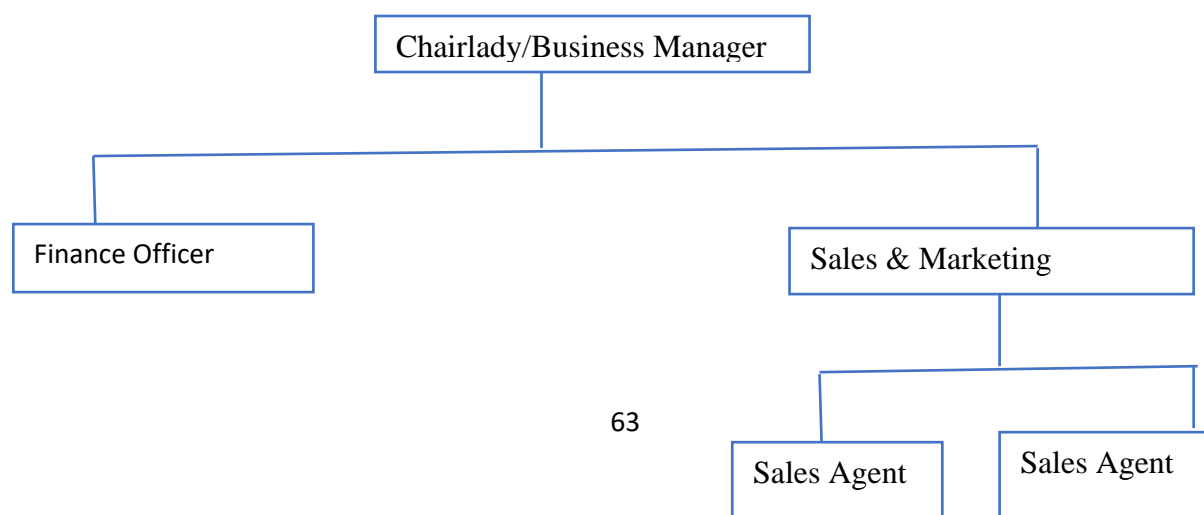
The goal of this foodstuff business is to make the Bo Waterside Peace Hut financially sustainable. It is expected to empower women within the peace hut. This foodstuff business will see the peace hut sustaining its services to members in terms of mitigating and resolving community-level conflicts, and protecting women's rights.

3.0 Organisation of the business

The current leadership structure of the Bo Waterside Peace Hut will manage the business. Members of the peace hut will be shareholders in the business and will contribute to the success of the business. The structure below will work to manage the business:

- **Business Manager:** The Peace Hut Chairlady will serve as the business manager. She will provide overall leadership and be responsible for accounting to the entire membership of the peace hut and other business partners on the performance of the business. She will be responsible for the day-to-day management of the business and overseeing the entire business circle from production to sales.
- **Finance Officer:** This business will have a finance officer who will use the existing financial management guide to set up system for the business. The finance officer will be responsible to record all incomes and expenditures from the start of the business. The finance officer will be responsible to procure goods and prepare overall financial reports for the business and advise the business manager on appropriate strategies for growth and sustainability of the business.
- **Sales and marketing manager:** This business will have a sales and marketing manager who will be responsible to secure buyers for the products, sell and record sales, prepare sales reports and supervise the work of sales agents. All sales in Bo Waterside and in nearby communities will be planned and directed by the sales manager.
- **Sales agents:** The peace hut will have two sales agents who will be peace hut members. The agents will be responsible to establish contacts with smaller business centres, shops and households to sell foodstuffs to potential customers. They will report directly to the sales and marketing manager on goods sold and brought forward.

Figure 17: Management Structure



4.0 Product / Service description

Rice is a primary commodity in Liberia and it represents over 33 per cent of the food consumption rate. It accounts for approximately 50 per cent of adult caloric intake. This shows the importance of the crop to the Liberian economy. An estimated 69 per cent of Liberia's income goes to food imports (CFSNS, 2013)³¹. A greater portion of rice consumed in Liberia is imported because rice demand outweighs the domestic production. Food accounts for about 24 per cent of the country total import, of which rice accounts for 65.3 per cent of imported foodstuff commodities (Broudic, 2008)³².

By 2008, Liberia dropped tariff on major foodstuff imported to the country. This was to reduce import burden on ordinary consumers, and for political stability (with intention to avoid the repeat of 2009 rice riot that degenerated into civil unrest). An increase in prices of foods may have negative impact on the country politically. Despite it has made Liberia heavily reliance on imported foods, it has made foods affordable by its citizens.

Figure 18: Rice shop in Bo Waterside



According to marketers in Bo Waterside, onion, oil, sugar and flour are amongst the most important items that brings profit to Liberian businesses. For example, onions are being sold at higher prices because of their shortage on the Liberian market. The onions prices surge from LD\$10 to LD\$25 during scarcity on the Liberian market. At times, onions become scarce to the extent retailers find it difficult to purchase onions on the market. Onion market in Liberia does not depend on natural season, but import volumes.

³¹ CFSNS (2013). Liberia Comprehensive Foodstuff Security and Nutrition Survey. World Foodstuff Program. Nitesh Patel nitesh.patel@wfp.org. Accessed 10/8/2015.

³² Broudic C. (2008). Surge in Basic Commodity Prices Liberia – Case Study: Action against hunger. ACF International Networks. Accessed 15/8/2014.

Figure 19: Table business in Bo Waterside



Like onion, most of the oil, flour and sugar are largely imported in Liberia. By the mid-1970s, Liberia was a major producer of sugar in West Africa through the establishment of Liberia Sugar Corporation (LIBSUCO), a public corporation “designed to wean the country off imports,” which was to industrialize the country. The corporation employed hundreds of Liberians and others in Maryland County, south-eastern Liberia. The current sugar industry in Liberia is a net earner of foreign currency, making sugar very expensive on the local market.³³

5.0 Sales and marketing

Foodstuff are normally sold on local market grounds, in shops, on tables and in wheelbarrows. The Bo Waterside Peace Hut will sell its foodstuff at the Bo Waterside Peace Hut and on local market grounds in Bo Waterside and in nearby communities in Liberia and Sierra Leone. The Peace Hut will target restaurants and cook shops in Bo Waterside to sell their foodstuff. It will also sell the foodstuff to retailers.

In terms of marketing, the peace hut women will use their networks to market their products. The peace hut women have relatives and friends that are operating restaurants and cook shops in Bo Waterside. And some of the peace hut women themselves are operators of restaurants and cook shops. These networks will be used to share information on the availability of foodstuff at the peace hut.

Additionally, the Peace Hut plans to install billboard describing its business. It will use the radio and social media (Facebook) in the future to advertise the products. It will make use of their VSLA and community meetings to share information on the foodstuff. The Peace Hut will develop new strategies in the future to educate the general public on different products that will be on sale.

6.0 Resource mobilization

The Bo Waterside Peace Hut has already committed its existing social funds of about **500.00 United States Dollars** to launch the business. The social funds will go towards preparation of site/peace hut building for storage and operation of the foodstuff business. The peace hut women will provide labour for operating the foodstuff business.

The Peace Hut intends to raise substantial amount of the estimated cost of the business from external sources. In addition to the social fund the peace hut has committed, UN Women has agreed to provide a small grant of **\$3,000.00** to the peace hut to serve as initial capital to start this business. After the first-

³³ Liberia Needs to Revitalize its Sugar Manufacturing in Maryland County. October 25, 2020

year's operation, all proceeds from the business will be reinvested in the business. The peace hut will source grants from development partners and government institutions and loans to expand the business.

7.0 Financial Plan (expenses and revenues forecast)

The expenses and revenues are projected for the first year of business operation in Table 1 and Table 2 below:

Table 14: Expected Expenses for the business

1.0 Foodstuff	Item	Quantity	Unit Cost	Total Cost-2021
1.1	Rice	100	13.00	\$ 1,300.00
1.2	Onion	75	5.60	\$ 420.00
1.3	Oil	30	26.50	\$ 795.00
1.4	Sugar	25	37.00	\$ 925.00
1.5	Flour	25	31.50	\$ 787.50
Sub-total				\$ 4,227.50
3.0 Salary cost				
2.1	Business Manager	1	\$ 15.00	\$ 15.00
2.2	Finance Officer	1	\$ 10.00	\$ 10.00
2.4	Sales and Marketing Manager	1	\$ 10.00	\$ 10.00
2.5	Sale Agents	2	\$ 5.00	\$ 10.00
2.6	Security	1	\$ 5.00	\$ 5.00
Sub-total				\$ 50.00
4.0 Other cost				
3.1	Billboard	1	\$ 25.00	\$ 25.00
3.2	Transportation - truck rental	1	\$ 100.00	\$ 100.00
Sub-total				\$ 125.00
Total Cost				\$ 4,402.50

Table 15: Expected revenues for the business

1.0 Revenue	Quantity	Unit price	Total (first 3 months)	2021 (6 months)
-------------	----------	------------	------------------------	-----------------

1.1	Rice	100	14.00	\$ 1,400.00	\$ 1,437.42
1.2	Onion	75	7.00	\$ 525.00	\$ 547.91
1.3	Oil	30	28.00	\$ 840.00	\$ 868.98
1.4	Sugar	25	38.00	\$ 950.00	\$ 980.82
1.5	Flour	25	33.00	\$ 825.00	\$ 853.72
Total Revenue				\$ 4,540.00	\$ 4,688.86

7.1 Important Assumptions

Largely foodstuff traded on the Liberian markets are imported. Supply of them depends on foreign production and international trade. The Liberian markets have experience continued shortage of foods. For the peace hut to maintain supply to its customers, it will be contingent on foods availability in the country. The peace hut would have to acquire the needed resources to purchase and keep stocks to meet foodstuff demand in the community.

7.2 Benefit - Cost Analysis

The peace hut has estimated the total cost of operating the foodstuff business as **4,402.50 United States Dollars**. This includes procuring and transporting foodstuff, paying salaries, and constructing a billboard. It expects to generate a total of **4,688.86 United States Dollars** with a margin of **286.36 United States Dollars** in the first three months of operation. The peace hut analysed the revenue - cost to prove the feasibility of the business. In the first year, and in all succeeding four years, the estimated cost of operating the business is less than the projected revenues.

$$\text{R/C benefit} = \$4,688.86 / \$4,402.50$$

$$\text{R/C benefit} = 1.06$$

Table 16: Projected Profit and Loss

Cash flow	2021 (3 months)	2021 (3 months)	2022 (6 months)	2022 (6 months)	2023 (6 months)	2023 (6 months)	2024 (6 months)	2024 (6 months)	2025 (6 months)	2025 (6 months)
Revenue	\$ 4,688.86	\$ 6,737.28	\$ 6,738.28	\$ 6,765.75	\$ 6,859.25	\$ 6,794.26	\$ 6,887.91	\$ 6,822.82	\$ 6,916.61	\$ 6,851.41
Cost	\$ 4,402.50	\$ 4,418.80	\$ 4,437.95	\$ 4,446.11	\$ 4,477.18	\$ 4,485.36	\$ 4,516.83	\$ 4,525.02	\$ 4,556.87	\$ 4,565.09
Margin/p rofit	\$ 286.36	\$ 2,318.49	\$ 2,300.33	\$ 2,319.64	\$ 2,382.07	\$ 2,308.91	\$ 2,371.08	\$ 2,297.79	\$ 2,359.74	\$ 2,286.32

The projections in Table 3 above, indicate that the business will have a good cash balance and net worth throughout the first five years of business. Beginning the first six months, the business projects higher growth rates.

7.3 Financial management

The Bo Waterside Peace Hut has participated in several financial management trainings including the business plan and financial management in 2020. The training covered bookkeeping, records management, budgeting, financial reporting, and financial and market planning. At the end of the training, participants' walkaway with financial management guide, which is in the possession of the Bo Waterside Peace Hut. The guide provides practical steps on how to build and run an effective financial management system. The peace hut has since applied skills acquired from these trainings to operate their VSLAs.

This will help the peace hut put to put in place system to record financial transactions. It will also build on knowledge and practice used in operating the VSLAs. It will use the financial management guide as a reference document to build a robust financial management system for the business that the Peace Hut will launch.

8.0 Business development

There will be considerable adjustment in the business regarding the products in the second year. In addition to the targeted products, the peace hut intends to invest in dry goods and building materials businesses. Through this business, the peace hut will support small-scale growers' wishing to produce large quantities of foods for sale in the succeeding years, beginning with the second year. The peace hut will purchasing food from local producers willing and having large volumes of food to sell.

9.0 Risk Assessment

There are a number of risks associated with doing foodstuff business in Liberia. These risks include poor infrastructure (bad road conditions, limited storage facilities, etc.), reliant on imported foodstuffs, mismanagement of proceeds from the business, among others.

As experienced small business owners and operators, the peace hut women will employ techniques to protect the foodstuff from damaging/spoiling and other losses. In addition, the Peace Hut will employ a full-time business manager who will manage the business from purchasing to sales.

The peace hut will utilize the existing financial management guide to ensure proper financial management systems are in place. It will ensure periodic reporting of business operations for accountability.

Barraken Peace Hut Sugarcane Business Plan



BUSINESS PLAN DEVELOPMENT CONSULTANT

ABRAHAM BILLY

April 17, 2021

With support from the Peace Building Fund



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Executive summary

The Barraken Peace Hut was established in 2018. It currently has a total membership of 150 persons (144 women and 6 men). The peace hut is situated within Pleebo-Sodoken District, located on the major high way leading to Harper City. The Peace Hut is less than 30 minutes' drive from both Pleebo and Harper cities. Pleebo is a major commercial city in Maryland bordering Ivory Coast. The economic activities in the district include, agriculture, fishing, hunting and trade. The market analysis revealed that members of the peace hut have knowledge and years of experience in sugarcane production. This has provoked the Barraken Peace Hut's interest to invest in sugarcane business.

This sugarcane business is expected to make the Barraken Peace Hut financially sustainable. The business will help empower peace hut members and reduce their economic vulnerabilities. The current leadership structure of the Barraken Peace Hut will manage the business. Members of the Peace Hut will be shareholders in the business and will contribute to the success of the business. The peace hut will sell the sugarcane products when processed into juices.

The products will be sold to retailers and wholesalers who transport the products to other market. The Peace Hut will target mainly juice and or alcohol producing companies in Pleebo to sell their sugarcane products. It will sell sugarcane products to retailers and wholesalers in bulk. As an alternative, the Peace Hut will transport its products to Harper or Monrovia for sale. The peace hut will use its members, their relatives and friends as well as radio and social media to advertise the products. The peace hut will develop new strategies in the future to educate the general public on different products available for sale.

To operate this sugarcane business, the Barraken Peace Hut has already secured 5 acres of land. It plans to provide labour and some farming tools to start the preparation of land. The peace hut has committed **600 United States Dollars** from its existing Social Funds to the launch of this business.

The peace hut intends to raise a substantial amount of the initial capital from external sources to invest in this sugarcane business. The UN Women has agreed to commit an amount of **3,000 United States Dollars** to the peace hut as initial capital for operating the business. The estimated cost (**9,105.00 United States Dollars**) for operating this business in the first year is higher than the initial capital the peace hut expects to receive. Thus, it plans to source grants from development partners and government institutions and loans to expand the business. As part of its expansion strategy, the peace hut will reinvest the returns from the first capital investment in the business.

When successful in investing the estimated cost for operating this business, the peace hut expects to generate a total of **13, 500 United States Dollars** with a margin of **4.396 United States Dollars**. In the first year, and in all succeeding four years, the estimated cost of operating the business is less than the projected revenues. This proves the feasibility of the business.

1.0 Introduction

The Barraken Peace Hut was established in 2018. It currently has a total membership of 150 persons (144 women and 6 men). The peace hut is headed by a Chairlady, who is assisted by a co-chair, secretary, treasurer, financial secretary and advisor.

The peace hut is situated within Pleebo-Sodoken District, located on the major high way leading to Harper City. The Peace Hut is less than 30 minutes' drive from both Pleebo and Harper cities. The Liberia Institute for Statistics and Geo-Information Services (LISGIS) in 2008 estimated the population of Pleebo-Sodoken District as 43,223. Pleebo is a major commercial city in Maryland bordering Ivory Coast. Commercial activities in Pleebo can be compared to Ganta and Buchanna. The economic activities in the district include, agriculture, fishing, hunting and trade. Residents of Barraken sell their agriculture products mostly in Pleebo.

2.0 Market analysis

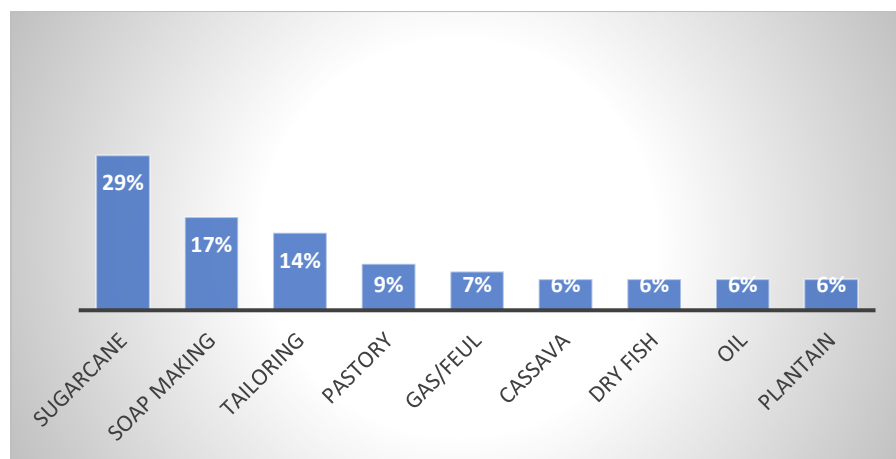
2.1 Observations

The market analysis conducted by UN Women during the development of this business plan shows that the Barraken Peace Hut has never engaged in crop production before. But it realized that members of the peace hut have been involved in food and cash crops production. It revealed that members of the peace hut have many years of experience in agriculture.

During the market analysis, the leadership of the peace hut declared having access to land. The analysis uncovered that the peace hut has some resources available for doing this business. The peace hut members have good experience in agriculture as they depend on it for livelihoods.

Amongst the several crops the peace hut members have cultivated, the analysis finds sugarcane as being highly in demand in the community. It rated sugarcane as the first priority amongst nine crops for business. Figure 1 shows the crops rating for business as presented by the peace hut.

Figure 20: Prioritization of business



The market analysis confirmed a report by FAO³⁴ that there is low supply response of smallholders in the face of relatively high elastic global supply of sugarcane, which has led to limited effects on smallholders' income. The increase in price of sugarcane is beneficial to farmers, if the cost of land is low and domestic agricultural prices are more flexible. The analysis established that land is mostly acquire through traditional arrangements and that there is no cost for it for now. Even though land is free for now, currently sugarcane farming is at subsistence level, which has led to inconsistent supply of sugarcane products in Pleebo.

Results of a market analysis show potential for profitable growth of sugarcane business with large size and investment in value addition. The existing sugarcane producing enterprises in the district have limited capacity to cultivate large farm size and produce added-value products. The analysis found no sugarcane processing machine in Barraken. As a result, farmers will have to take their products to far away communities to process their products.

The market analysis revealed the peace hut interest in acquiring a processing machine that will serve the community. The processing plant will provide opportunity for small growers in the community to process their sugarcane and overcome some of the existing barriers to sugarcane production. It is expected to address some of the challenges associated with sugarcane farming in the community.

The market analysis shows the peace hut interest in offering wholesale and retail onsite and in nearby local market to sell its products and create opportunity to integrate a variety of community partners. The peace hut intends to recruit market agents who will take the products (smoke wine, low wine, etc.) to nearby community markets for sale.

2.2 Business Description

In 2019, the leaders of Barraken Peace Hut participated in a financial management training in Gbarnga and in late 2020, in a business plan development training in Totota, Bong County. At the business plan development training, participants were trained on how to conceptualize, select a business ideal, and develop a business plan. Building on the knowledge gained from these trainings, the Barraken Peace Hut leadership brainstormed and selected sugarcane production and marketing as their business to invest in.

The Peace Hut selected this crop based on findings from the market analysis during which they brainstormed, and the high demand for sugarcane in Pleebo in Maryland and across Liberia. The market analysis shows that this crop is in high demand throughout the year. There is no particular season for sugarcane in Liberia. Also, because there is no large-scale sugarcane enterprise in Barraken that allows operators to process their farm products. This is also owing to the fact that members of the peace hut have operated sugarcane farms in the community for over 20 years.

2.2 Vision of the business

³⁴ FAO Commodity and Trade Policy Research Working Paper No. 37.

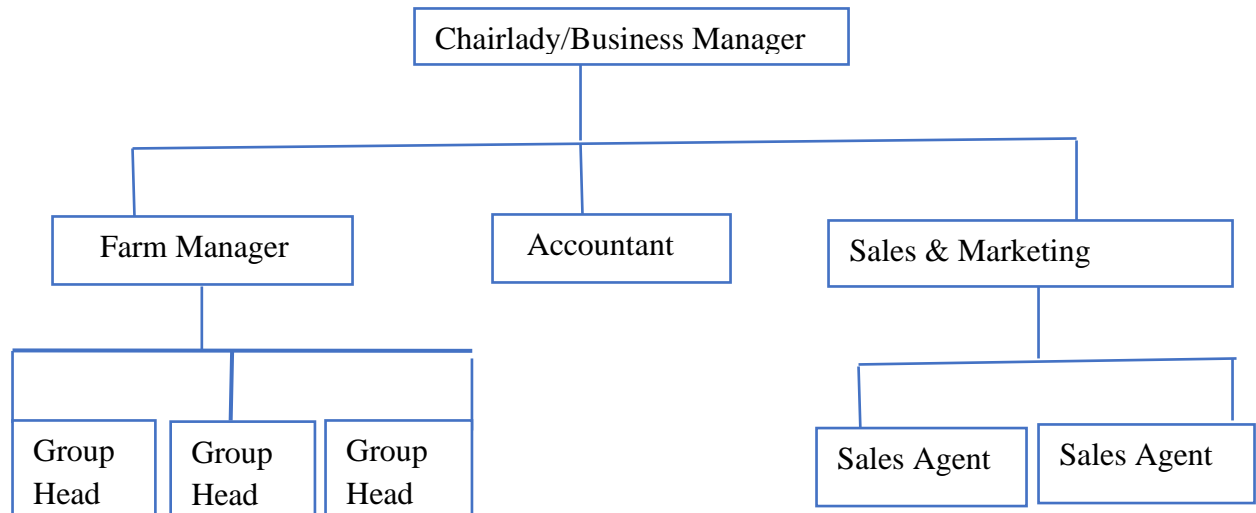
The vision of this business is to make Barraken Peace Hut financially sustainable. The intent of the business is to reduce the Peace Hut's reliance on social funds from VSLAs for the operation of the Peace Hut. In addition to sustaining the Peace Hut, the business will help empower peace hut members and reduce their economic vulnerabilities.

3.0 Management Structure of the Business

The current leadership structure of the Barraken Peace Hut will manage the business. Members of the Peace Hut will be shareholders in the business and will contribute to the success of the business. The structure below will work to manage the business:

- **Business Manager:** The Peace Hut Chairlady will serve as the manager of the business. She will oversee the planting process, maintenance of the farm, harvest and sale of the plantain and banana, with support from the other staff and peace hut members.
- **Finance Officer:** The Peace Hut's Financial Secretary will be responsible to set up and manage the finances of the business, and will record all incomes and expenditures of the business. The finance officer will be responsible to make financial reports to the business manager and the Peace Hut in consultation with the business staff.
- **Farm Manager:** The farm manager will lead all works at the farm and will be responsible to supervise the planting and maintenance of the farm. She/he will work with VSLA chairs to mobilise members of the peace hut during production.
- **Group Heads:** The heads of VSLAs within the Peace Hut will serve as support staff to the farm manager in producing the plantain and banana. They will mobilise and supervise their colleagues during activities implementation to producing the plantain and banana.
- **Sales Manager:** The sales manager will be responsible for the transportation of plantain and banana to markets, and establish relationships with retailers and wholesalers for the sale of plantain and banana to buyers.
- **Sale Agents:** Even though all peace hut members will be charged with the responsibilities to sell the farm products, the business will have three members serving as sales agents for the business. They will be responsible to take the products to buyers and report to the sale manager.

Figure 21: Management Structure



4.0 Product / Service description

In Liberia, sugarcane growing has been estimated at an average annual rate of 4.05 per cent increase between 1970 and 2019. Sugarcane production in Liberia has increased from 45,000 tonnes in 1970 to 273,022 tonnes in 2019³⁵. Sugarcane yield is projected at level of 101,821 hg per ha.

Sugarcane grows up to 5 meters in height and 5 centimeters in diameter. It produces the following products: sucrose, blackstrap molasses, bagasse, ethanol, electricity among others. Sugarcane could be used as a sweetening agent for foods and in the manufacture of cakes, candies, preservatives, soft drinks, alcohol, etc. when value-added.

³⁵ World Data Atlas: Liberia - Sugar cane production quantity

Figure 22: Sugarcane grown in Liberia



About 65 per cent of the sugarcane produced in Liberia is consumed locally as food and in the form of juice. There is less value-addition as many farmers in Liberia are yet to see sugarcane as a significant crop for business, despite its high economic potentials. Liberia has since 1960 recorded sugarcane as export product along with coffee and cocoa, but less than half (35 per cent) of the crop produced in Liberia is exported. The Sugarcane market in Liberia has been insignificant for years. The only value added product of sugarcane is cane juice that has been sold on the Liberian market. It is also seen as a seasonal crop, which sees surplus sugarcane stalks flood the Liberian market during harvest. These stalks are often consumed as appetizer and dessert by some Liberians.

In its first year of production, the Barraken Peace Hut plans to produce two types of sugarcane juice (smoke wine and low wine). Both are certified organic products in Liberia. The peace hut already has loyal customer-base that has purchased similar products from its members who are all small-scale farmers. There is currently no large-scale sugarcane farming taking place in Barraken and as such, supply is still insufficient. This presents a unique opportunity for the peace hut to produce a variety of sugarcane products. The Peace Hut, through this business, will be able to support small-scale growers' by processing their sugarcane to produce juices.

5.0 Sales and marketing

The Barraken Peace Hut will sell the sugarcane products on local market and to wholesalers who will transport the products to other markets in Liberia. The Peace Hut will target mainly juice and or alcohol producing companies in Pleebo to sell their sugarcane products. It will sell sugarcane products to retailers and wholesalers in bulk. As an alternative, the Peace Hut will transport its products to Harper or Monrovia for sale.

In terms of marketing, the peace hut women will use their networks to market the sugarcane products. The peace hut women, their relatives and friends operating drinks shops and entertainment centers in Pleebo will be used to share information on the availability of sugarcane products at the peace hut. The Peace Hut plans to install billboard describing its business. It will use the radio to advertise products, and will also use social media (Facebook) in the future to inform the public on products. It will share information on their products during their VSLAs and community meeting. The peace hut will develop new strategies in the future to educate the general public on different products available for sale.

6.0 Resource mobilization

The Barraken Peace Hut has already secured 5 acres of land for business purposes. It will provide labour and some farming tools to start the preparation of land. The peace hut has committed **600 United States Dollars** from its existing Social Funds to the launch of this business.

The current social fund available to the Barraken Peace Hut can only finance preparation of the farm land, thus, the peace hut intends to raise a substantial amount of the initial capital from external sources to invest in this sugarcane business. The UN Women has agreed to commit an amount of **3,000 United States Dollars** to the peace hut as initial capital for operating the business. The estimated cost for operating the business in the first year is higher than the initial capital the peace hut expects to receive. Thus, it plans to source grants from development partners and government institutions and loans to expand the business. As part of its expansion strategy, the peace hut will reinvest the returns from the first capital investment in the business.

7.0 Financial Plan (expenses and revenues forecast)

In the Tables (1, 2, and 3) below, the peace hut presents breakdown of expenses and projected revenues for the first five years of operation:

Table 17: Expected Expenses for the business

1.0 stalk	Sugarcane Item	Quantity	Unit Cost	Total 2021	Cost-
1.1	Sugarcane stalks (50kg bag)	50	\$ 10.00	\$ 500.00	
2.0 Farming Materials					
2.1	Cutlass	25	\$ 6.00	\$ 150.00	
2.2	Hoe	25	\$ 3.00	\$ 75.00	

2.3	Power saw rental	1	\$ 150.00	\$ 150.00
2.4	Wheel barrow	2	\$ 35.00	\$ 70.00
2.5	Buckets	4	\$ 15.00	\$ 60.00
2.6	Empty gallons	60	\$ 2.00	\$ 120.00
2.7	Processing machine	1	\$ 7,000.00	\$ 7,000.00
Sub-total				\$ 8,125.00
3.0 Salary cost				
3.1	Business Manager	1	\$ 25.00	\$ 200.00
3.2	Accountant	1	\$ 20.00	\$ 160.00
3.3	Sales and Marketing Manager	1	\$ 20.00	\$ 80.00
3.4	Sale Agents	3	\$ 15.00	\$ 135.00
3.5	Security	1	\$ 10.00	\$ 80.00
3.6	Daily labourers	50	\$ 2.00	\$ 100.00
Sub-total				\$ 755.00
4.0 Other cost				
4.1	Billboard	1	\$ 25.00	\$ 25.00
4.2	Transportation - truck rental	1	\$ 200.00	\$ 200.00
Sub-total				\$ 225.00
Total Cost				\$ 9,105.00

Table 18: Expected revenues for the business

Revenue	Quantity	Unit price	Total revenue
Sugarcane (gallon of cane juice)	4500	\$ 3.00	\$ 13,500.00
Total Revenue			\$ 13,500.00

7.1 Important Assumptions

That the average yield of sugarcane per hectare per year is 24-28 long tonnes³⁶. Since the peace hut intends to produce sugarcane on 5 acres/2 hectares of land, that it will produce about 48 tonnes of sugarcane stalks, which means that the peace hut will produce about 7,200 gallons of cane juice. It is estimated that a ton of sugarcane stalks produces at least 150 gallons of cane juice. The projected revenues and expenses show that the peace hut will have to acquire the needed resources to operate the business. The peace hut expects to sell a gallon of cane juice not less than 500 Liberian Dollars.

7.2 Benefit - Cost Analysis

As shown in Table 1, it will cost the peace hut **9,105 United States Dollars** to operate the sugarcane business in year one, including acquiring the processing machine. It expects to generate a total of **13, 500 United States Dollars** with a margin of **4.396 United States Dollars**. This revenue - cost analysis proves the feasibility of the business. In the first year, and in all succeeding four years, the estimated cost of operating the business is less than the projected revenues.

$$\text{R/C benefit} = \$13,500/\$9,105$$

$$\text{R/C benefit} = 1.48$$

Table 19: Projected Profit and Loss

Cash flow	2021	2022	2023	2024	2025
Total revenue	\$ 13,500.00	\$ 14,175.00	\$ 14,185.91	\$ 14,196.82	\$ 14,207.74
Total cost	\$ 9,105.00	\$ 1,509.87	\$ 1,324.66	\$ 1,349.61	\$ 1,374.69
Margin/profit	\$ 4,395.00	\$ 12,665.13	\$ 12,861.25	\$ 12,847.22	\$ 12,833.05

The projection in the above cash flow (in Table 3), shows positive figures as profits for all five years of business operation. It implies that the business will have a good cash balance and net

³⁶ <https://en.wikipedia.org/wiki/Sugarcane>

worth throughout the first five years of business. Beginning the second year, the business projects higher growth rates.

7.3 Financial management

The Barraken Peace Hut has participated in several financial management trainings including the business plan and financial management in 2020. The training covered bookkeeping, records management, budgeting, financial reporting, and financial and market planning. At the end of the training, participants' walkaway with financial management guide, which is in the possession of the Barraken Peace Hut. The guide provides practical steps on how to build and run an effective financial management system. The peace hut has since applied skills acquired from these trainings to operate their VSLAs.

This will help the peace hut put in place system to record financial transactions. It will also build on knowledge and practice used in operating the VSLAs. It will use the financial management guide as a reference document to build a robust financial management system for the sugarcane business that the Peace Hut will launch.

8.0 Business development

After one year of operation, the Peace Hut intends to expand the sugarcane business. It will begin with expanding the land size to produce more sugarcane products. The Peace Hut plans to reinvest all proceeds from the first harvest into the second year's production in order to increase output and size of the business.

By expanding the business, the Peace Hut will be able to employ more of its members to enable them earn income and pay their VSLA shares on a timely basis. In the following years, it will build a production house where it will process sugarcane into different products, as well as process and package products for sale.

In the second and third years of the business, the Peace Hut will begin to produce sucrose and ethanol products that can be used to manufacture cakes, candies, preservatives, soft drinks, alcohol, etc. This value addition will enable the Peace Hut take advantage of higher prices from sugarcane products, as compare to selling the sugarcane stalks and juices. The Peace Hut will seek to partner with firms in Monrovia to produce different types of sugarcane products, including sugar, drinks and cakes in Pleebo. Under the partnership, the Peace Hut will be responsible to produce the raw material and unskilled labourers. It will get a share of the profits from the sales of the produce. After gaining sufficient knowledge and skills, the Peace Hut will venture into the production of variety of sugarcane products by itself.

Figure 23: Sugarcane products



9.0 Risk Assessment

There are a number of risks associated with the production and sale of sugarcane in Liberia. These risks include crop diseases, pests, post-harvest losses, mismanagement of proceeds from the farms, among others. As regular growers of sugarcane, the peace hut women will employ available techniques to protect the crops from pests, reduce post-harvest and other losses. In addition, the Peace Hut will employ a full-time farm manager who will manage the farms from planting to harvest.

Post-harvest losses will be minimised because the Peace Hut will have a sales and marketing manager that will plan the sales of products before they are harvested. This will help ensure that buyers are available for products before harvest takes place.