

**PROJECT PROPOSAL TO ESTABLISH LARGE SCALE COMMERCIAL AND
DEMOSTRATION PIGGERY PROJECT.**

ORGANISATION: HOPE MINISTRIES UGANDA

PROGRAM: HMU PIGGERY PROJECT.

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Uganda: Reg. No 4250, Charitable No

MIA/NB/2019/08/2740

United States: 81-3116502

PROJECT LOCATION; KANUNGU DISTRICT, KIHIIHI SUBCOUNTY, KIMBIRI
PARISH, KANYINABULEMANO VILLAGE.

DURATION: ONE YEAR

PROJECT COST: 44985000/= **USDS 12,496** AT A COST OF 1\$ 3500 UGX

SUBMITTED TO HOPE MINISTRIES UGANDAUSA

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1.0 BACKGROUND

Hope Ministries Uganda (HMU) is a faith-based non-profit making indigenous Non-Governmental organization initiated in 2010, and registered under the non-government organization Board of the ministry of Internal Affairs in 21st-august-2019, charitable number **MIA/NB/2019/08/2740** and Registration number **3231**. HMU started its operations in Kisoro district, and we now operate in Kanungu, Kabale and Ntungamo in rural poor communities occupied by the Batwa. HMU work directly with rural poor marginalized and disadvantaged Batwa Orphans, Disabled, the aged, Women especially young-mothers, widows, displaced persons, the illiterate and young children in communities aimed at improving rural Batwa community livelihoods through the implementing development-oriented programs including vocational training, water, sanitation & Hygiene, maternal health, child/orphan education & scholarships. The organization cater for over 338 Batwa children in their children's village in Kanungu district.

1.1 HMU Mission:

Proclaiming the life changing gospel of Jesus Christ to a forgotten people, while meeting the spiritual, physical, and emotional needs of men, women, and children who are homeless or in need of hope.

2.0 The strategies of HMU Piggery project include the following:

- Improve the activity funding base of the HMU as an institution.
- Train the women in income generative activities to generate enough money to support their families.
- To set up demonstration center where vulnerable women, Batwa children will meet to train and Seek information.
- Train women and Batwa youth farmers to acquire more efficient management skills in agricultural production, harvesting, storage, processing, and marketing.
- Help women farmers to objectively focus on the needs of the family and the demands of the market and promote high value market-oriented crops and animals.
- Providing improved varieties of breeds of animals that are quick maturing and high yielding under average systems of management.
- Community mobilization and sensitization of the people to actively participate in the various project components. To encourage women farmers to

voluntarily form small farmer groups/associations and societies based on the interest they themselves have in each enterprise.

- Assist the government and nongovernmental organizations (NGOs) in the campaign in relation to organic farming and, in caring, protecting, and preserving natural resources and the environment for sustainable development.

3.0 JUSTIFICATION OF THE PROJECT

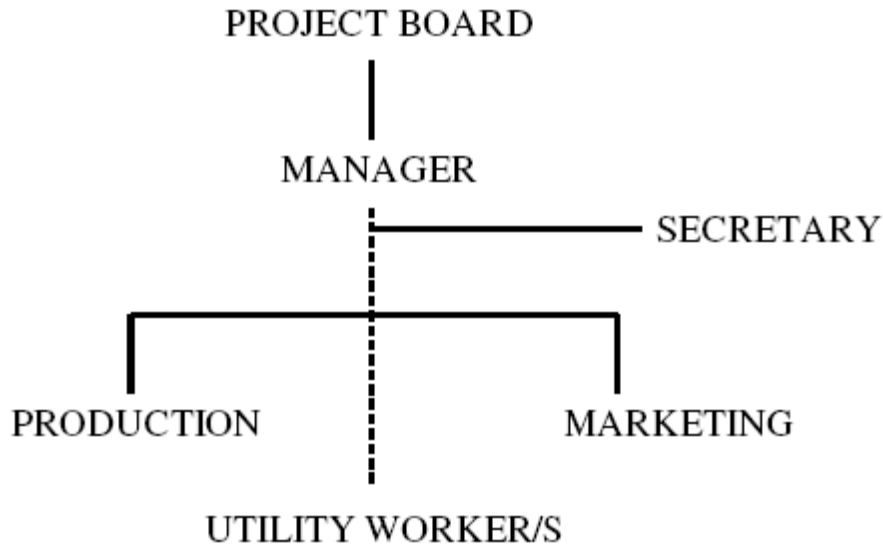
There is an increasing demand for pork not only in Uganda but also in the great Lakes region because of general improvement of standard of living of the people. Demand for pork in and around Kanungu is quite high especially in the tourism Eco lodges around queen Elizabeth conservation area. In addition, many supermarkets are facing limited supply of pork and hence we could tap into the opportunity while building a wide fund base to run the organization. piggery is one of the most promising enterprises in the Ugandan livestock sector. This is because they require little space and relatively small initial capital per unit head compared to other livestock enterprises.

There is easy availability of piglets and animal feeds as well as animal drugs on the market. HMU can get Qualified veterinary personnel who are available down to sub-county and village level.

4.0 MANAGEMENT

For any enterprise to succeed, proper and efficient management is essential in order to realize good returns on investment. Pig farming is a labor-intensive enterprise. For maximum production, efficient labor is required on daily basis. Therefore, close supervision is necessary. Feeding, watering, cleaning and sanitation, observation of diseases and disorders, collection of products for market and arranging an efficient system of sales must be well coordinated by a qualified manager. The project will need 1 manager, 1 storekeeper, 1 accounts clerk, 1 sales man, 5 attendants and 1 security guard.

MANAGEMENT STRUCTURE



B. PERSONNEL RESPONSIBILITIES

Project Board – During the transition period, the Board of Directors of the HMU shall first compose the Project Board in order to:

- a) Direct the full implementation of the project;
- b) Approve/Disapprove large financial transactions involving the project;
- c) Possess the documents in the entry and exit of financial matters of the Project; and
- d) Arranges quarterly meetings with the personnel who manage the project. Manager makes sure of the proper implementation of the project; Temporarily directing the production and distribution/sale in the absence of a production officer and marketing officer; Arranges the monthly meeting of the workers

Secretary/Cashier – Responsible for the clerical aspects of the project; Assist the Manager in the day-to-day activities hold the documents of the meetings, properties, and financial transactions of the project.

Storekeeper: Inventory and stock management.

Accounts Clerk: Keeping farm records and accounts.

PIG Attendants: Perform day to day duties like feeding, watering, cleaning and Collecting produce.

Security Guard: Ensure security and safety on the farm.

5.0 TECHNICAL ASPECTS

5.1 Technical analysis for piggery project

The project will procure 50 mature pigs ready for piglet production and shall construct 10 pig sties to house these purchased pigs.

5.2 Production parameters for the piggery enterprise

Assuming 5 % mortality rate, the project shall remain with 47 pigs.

If 5 of these are boars and that the rest are sows that produce each averagely 10 piglets.

This gives a total of $45 \times 10 = 450$ piglets.

If the project is to sell piglets at 2 months and assuming each piglet is UGX

150000/\$42.86 and this gives **UGX 67,500,000 /\$19.285.72=** per year considering the gestation period of a sow being 3 months. This means in the next 6 months we would have 2 gestation periods.

The initial investment costs are **44,985,000/\$12,852.86=** in the first 6 months. Assuming all 900 piglets have been sold at 2 months they would cost us another investment of **37,800,000/\$10,800=**. When this is added to the initial investment, it makes up to **82,785,000/\$23,652.86=**.

Assuming the project closes after one year, the mature mother and father piglets would be costing **10,000,000/\$2857.14=** each and this would be **47,000,000/\$13,428.57=**.

Therefore, sales of 900 piglets and 47 Boers and soars after one-year project closer would be **UGX 182,000,000/\$52,000**. When this gross income is less by total investment in a year **82785000/\$23,652.86=**, we would get a net profit of **UGX 99,215,000/\$28,347.14** making the project extremely viable and profitable to sustain activities at the children's village or in the entire ministry.

We also assume that after six months of initial investment, the project can fund itself in the next two quarters.

6.0 Market Aspects

With pig production on a large scale, there are several options to market the products.

- Selling piglets at two months old to other farmers either for breeding or fattening.
- Selling young pigs usually at the age pf six months for pork.
- Selling adult pigs for bacon
- Selling cull pigs after useful productive life.

Under this project, the main sale option will be selling off piglets at 2 month pigs to farmers for breeding. Prospective buyers can collect the pigs from the farm gate or arrangements can be

made with farm management to deliver the pigs to areas of their choice around Kanungu district.

Piggery House

The project shall construct 10 pig stys made of locally available materials like tree offcuts, nails, iron sheets. Each house will shelter 5 sows for the start.

7.0 Investment Profitability Analysis

7.1 Notes and Assumptions

- The assumed opportunity cost is 18%
- The cost of feeds for the piggery is estimated at **UGX 500/=** per kg. The assumption is that all the feeds will be mixed at the farm.
- Year 0, in the piggery project is made of 3 months which represents the growing period before sale of piglets born in the project
- The market selling price of 2 months old piglets is estimated at **UGX 60,000/=** per piglet.
- A mortality rate of 5% of the pigs purchased has been assumed.
- Each sow has been assumed to produce 10 piglets.
- The analysis period is 2 years considered to be adequate to assess the investment.

7.2 Viability Indicators

a) Net Present Value (NPV)

The NPV of a project is defined as the value obtained by discounting separately for each year, the cash net flows accruing throughout the life of the project at a fixed predetermined

interest rate. In this project, 18% have been used. The Net Present Value for the Piggery project is $UGX44,985,000 / 12852.86 =$. Since the NPV of both projects are positive, the projects are viable and hence worth undertaking for investment.

b) Internal Rate of Return (IRR)

The IRR is the discount rate at which the present value cash inflows are equal to the

present value cash outflows and the NPV is zero. The IRR indicates the actual profit rate of the total investment outlay.

It also indicates the maximum loan interest rate that could be paid without creating any losses for the project. The IRR for the Piggery is 23%. Since both IRR for the project are higher than the discount rate (which is also the opportunity rate) thus viability of the project.

8.0 IMPLEMENTATION OF THE PROJECT

A. FIRST PERIOD – Preparation (First Quarter)

1. Look for workers and proper site for the project. The workers shall consist of the following:

Manager (part time) 1

Secretary/Cashier (part time)

2. Preparation for the tools, equipment, and necessary documents.

4. Giving of orientation/training, including the methods/strategies in the operation of the project.

Construction of pig stys.

B. SECOND PERIOD – Implementation Proper (Second Third Quarter)

1. Purchase of the sows and Boers and care for their growth

2. Sale of first piglets.

C. THIRD PERIOD – Terminal Period (Fourth Quarter)

1. Assessment/Evaluation of the project

2. Continuity and expansion of the project

3. sale of another generation of piglets.

4. Preparation of documentary report to be sent to the donor agency.

BILL OF QUANTITIES FOR PIGGERY PROJECT/ BUDGET

Item	Quantity	unit cost in UGX	Amount in UGX
Sow, Boers and drugs			
Mature sows and boars	50	400,000	20,000,000/\$5714.30

Feeding	1.5kg x50x180 days	500/	6,750,000/\$1928.60
Drugs	For 6 months	lump sum	600,000/\$171.43
SUBTOTAL1			27350,000/\$7814.30
10 Pig house/ sty construction			
Tree off cuts(canter trips),	30	200,000	6,000,000/\$1714.30
Support poles and roofing poles	80	10,000	800,000/\$228.60
Iron sheets	80	27,000	2,400,000/\$685.70
Roofing and joinery nails (kg)	100	6000	600,000/\$171.43
Preservation oil(20 liter jerrycans)	5	20,000	100,000/\$28.60
Construction Labor per sty	10	150,000	1500,000/\$428.60
Fuel throughout the project	50	4500	235,000/\$67.15
SUBTOTAL2			11635,000/\$3324.30
HUMAN RESOURCE/ PERSONNEL			
Personnel	QTY in months	Unit cost in UGX	Total cost in UGX
1 Manager	6	200,000	1200,000/\$342.86
1 Storekeeper	6	100,000	600,000/\$171.43
1 Accounts clerk	6	100,000	600,000/\$171.43
5 Attendants	6	100,000	3,000,000/\$857.14
1 Security Guard	6	100,000	600,000/\$171.43
SUBTOTAL 3			6,000,000/\$1714.30
GRAND TOTAL			44,985,000/\$12,852.86