

CHAPTER I

BUSINESS SUMMARY

Business Overview

The organic sesame farm is a financed farm at Surin province in Thailand. The farm plant sesame by organic control (biological control: cultural, planting and harvesting). The organic sesame seeds are the final product that is competitive in quality and no current competitor in Thai market.

Organic sesame farm is targeting the health conscious market. In two to five years one farm land will grow to several, in and around the greater metropolitan area. This will be achieved by continuing to offer good quality and healthy product.

This business plan will finance a farmer at Surin province to plant organic sesame by following organic agricultural process on his land. His land has been accredited and received Organic Certificate by Department of Agriculture, Thailand since 2009. The total area of the land is 60 Rai or 96,000 square meters (1600 x 60).

The sesame field needs to be approach with biological control for protection and prevention of plant disease. After harvest season of sesame seeds, these must be placed in storage under organic condition. Finally, the sesame seeds will be packaged under organic controlled procedure and delivered to customers who need organic sesame seeds as part of their raw materials in production of organic products.

Business success factors in organic sesame seed production is not available in Thailand market yet, therefore the possibility of gaining monopoly in this business of organic sesame seeds in Thailand is highly profitable. This would be an interesting raw material for any organic products that need organic sesame seed such as organic sesame oil, organic desserts, organic bakeries and snacks.

Product/Service Features



Figure 1 Organic sesame seeds

The Thai Organic Agriculture Company offers organic sesame seeds which are not involved in any chemical process. The sesame seeds that will be produced has stronger taste of natural flavour compared to regular sesame seeds found in common markets or retail markets.

The type of specie of black sesame seed is called Mor Kor 18 (in Thai called MK.18) will be used. This specie provide yield of 148 kilos per Rai. It provides gross seed volume, with 1,000 seeds weighing about 3.0 gram. Crop period will be between 85and 90 days. Each seed weight contain 48.2 % oil yield.

Market Strategy

The organic sesame farm's market strategy seeks to optimise its prime advantage of location as well as offering unique selling proportion. The researches show that the organic sesame seeds are not available yet in Thai market. This is a good opportunity to approach the pricing strategy by comparing prices with the locally produced regular sesame seeds.

Customer research has been carried out by surveying local sesame seeds manufacturers for food products such as crackers and snack bars.

Key Financial Objectives

The key financial objectives have been developed using previous months' data for the existing store, tracking trends in revenues and expenses. A five-month track of sales, accounts receivables and payables and inventory from a year - end benchmark were also utilised.

The key financial objectives are:

- Develop a sustainable profit of organic products of 5.5 % in retail
- A 15 - 20 % increase in annual revenues
- Larger profit margin
- Sufficient internal cash flow to fund new capital investment
- Stable earnings during periods of recession

