

MARA UNIVERSITY OF TECHNOLOGY (UITM)
KOTA KINABALU, SABAH BRANCH

ETR300
FUNDAMENTAL OF ENTREPRENEURSHIP

BIO-ORGANIC CHILLI FARMING THROUGH FERTIGATION METHOD
UNI RED ENTERPRISE

PREPARED BY:

MOHD ZUL FAIZAN B. ABDU RAHMAN	2008522905
RECKY JOVLEESON SALANJIK	2008745765
SITI HAISAH BT. ABD. MURAT	2008779737
HIRAYANA ANDI AMIR	2008332147
LIZAWATI JAPAR	2008715075

JANUARY-APRIL 2011

TABLE OF CONTENT

CONTENT	PAGE
Submission of business plan letter	1
Acknowledgement	2
Table of content	3
INTRODUCTION	
1.0 Introduction	5
1.1 Summary of proposed business plan	6
1.2 Industry review	7
1.3 Business opportunities	10
1.4 Partners background	12
1.5 Business background	13
1.6 Company logo	14
1.7 Partnership agreements	15
1.8 Business location	19
ADMINISTRATION PLAN	
2.1 Introduction	22
2.2 Organizational chart	23
2.3 Administration personnel	23
2.4 Task description	24
2.5 Workers intensive scheme	25
2.6 Business plan floor/Office plan	26
2.7 Office equipment	27
2.8 Administration budget	28
MARKETING PLAN	
3.1 Introduction	30
3.2 Product descriptions	31
3.3 Market analysis	32
3.4 Market share	37
3.5 Marketing strategy	39
3.6 Marketing budget	42
3.7 Sales forecast	43
OPERATION PLAN	
4.1 Introduction	46
4.2 Operation management	47
4.3 Soil and climate suitability of chili	51
4.4 Fertigation system	52
4.5 Infrastructure development	55
4.6 Fertigation system preparation	56
4.7 Operation budget	69
FINANCIAL PLAN	
5.1 Introduction	73
5.2 Source of financial information	74
5.3 Background of business	74
5.4 Operating budget	75
5.5 Project implementation cost and sources of finance	79
5.6 Pro forma income statement	81
5.7 Pro forma balance sheet	82
5.8 Financial analysis	83
CONCLUSION AND REFERENCES	
6.0 Conclusion and recommendations	87
7.0 References	88

1.0 Introduction

Uni Red Enterprise is to be established on January 2012. This company is established purposely to exclusively involve in agricultural field especially to improve technology in agriculture. The project will take place on 5 acres land in Kg. Wakuba, Tawau Sabah where there land is owned by one of our business partner. For business starting, we will plant 15000 chilli trees under 15 rain protection houses implemented with fertigation system.

Nowadays, the value of money cannot be compared with the value of health. As many chronic diseases arise due to the lack of awareness of healthy diet, the society begins to realize how important the healthy food consumption in which it will surely affects our life in the future. Therefore, they are willing to spend more to make sure that the foods they consume everyday guarantee their healthiness. In relation with the matter, we come up with a solution that is organic farming concept in which we apply organic fertilizer without any chemical substance either the application of fertilizer or in pest & disease management. This simultaneously will ensure the increase in healthy crop production especially in our country.

We named our company as *Uni Red Enterprise* which focuses on fresh chilli production as our main product with fertigation method. We have chosen this type of business after considering the market trend and the future prospect of this business. Since Malaysia currently experience shortage of labour force, therefore, we decide to do this project by minimizing the usage of labour in terms of operation. For marketing purposes, we aimed to market our products in the nearby areas to satisfy the demand in that particular areas then we plan to expand our business to whole Sabah. We targeted to sell our products to the wholesalers, supermarkets, hotels, and restaurants.

1.1 Summary of proposed business plan

Items	Descriptions
Company name	We have chosen ' <i>Uni Red</i> ' because ' <i>Uni</i> ' represents universal, unique, united. We are looking forward to be a universal chilli producer in Malaysia and expanding our market to the international market level. Red resembles the color of chilli itself and it is also resembles our company's spirit in taking a risk.
Industry profile	Project title: Bio organic chilli farming through fertigation method.
The nature of business	Crop production in agro-base industry.
Location of the business	All of us agreed to start our business by constructing a fertigation site at Tawau. Our main office will be near to the fertigation site.
The factors that influenced us to choose this agriculture-based business	<ul style="list-style-type: none"> a) High demand of fresh chilli in the Malaysian market especially in the nearby area where we develop our business. b) Our country still importing chilli. Therefore we are planning to supply our country's needs for crop production mainly in our state. c) It can produce many useful products. Therefore, we see chances of expanding our business to upstream activity. d) Agriculture based business guarantee high profit rates since the world is experiencing food shortage. e) Nowadays, agriculture is driven by new technology that will facilitate works previously done manually.
Future prospect of the business	We are planning to expand our business to become one of the successful competent producers of chilli not only in Malaysia but also in the international market.

1.2 Industry review

In Malaysia chilli is one of the most popular vegetables and is planted by vegetable farmers both on the lowlands as well as the highlands. The local supply of chilly is insufficient to meet the demands in the country as Malaysia emerged as the second largest buyer of the Indian spices in 2009 after the United States (FNB News, 2010).

Chilli farming prospect in our country has been progressing rapidly. Quite numbers of people are interested in this field. However, many of them are still involved in small scale business. There are also entrepreneurs who are faced with pest and diseases problems which lead to high losses. Therefore, we feel obliged to start intensive chilli farming business by using fertigation method and also with the application of modern farming technology in order to produce high quality products, with high resistance to diseases.

We aimed to firstly satisfy the demand of chilli in Sabah and then extending our business to compete in the global market. We see this business as a chance for us to further developing our agricultural industry in Malaysia in which we apply the knowledge and technology to trigger development of agricultural revolution in our country.

As a mobile, we are very confident that this business will be success and bring profit to our company in the future.

Chilli hybrid industry is an interesting business to be explored. In peninsular, chilli farming project has started since 1994 in PulauManis, in Kuantan , Pahang. Followed by Rompin (1998) and Jerantut (2001). By observing the market trend of chilli especially in Malaysia, the demand for chilli is increasing especially during festive season such as fasting month, Eid, Christmas and New Year. When the demands increase, the prices will also increase (Ir. S. Tarigan, 2008).

Besides that, the demand is also increasing during rainy season. This is due to the rainy condition which limits the harvesting job and also risk faced by chilli farmers in which they may experience losses due of pest and diseases attack.