

# Business Plan Book for Passion Fruit



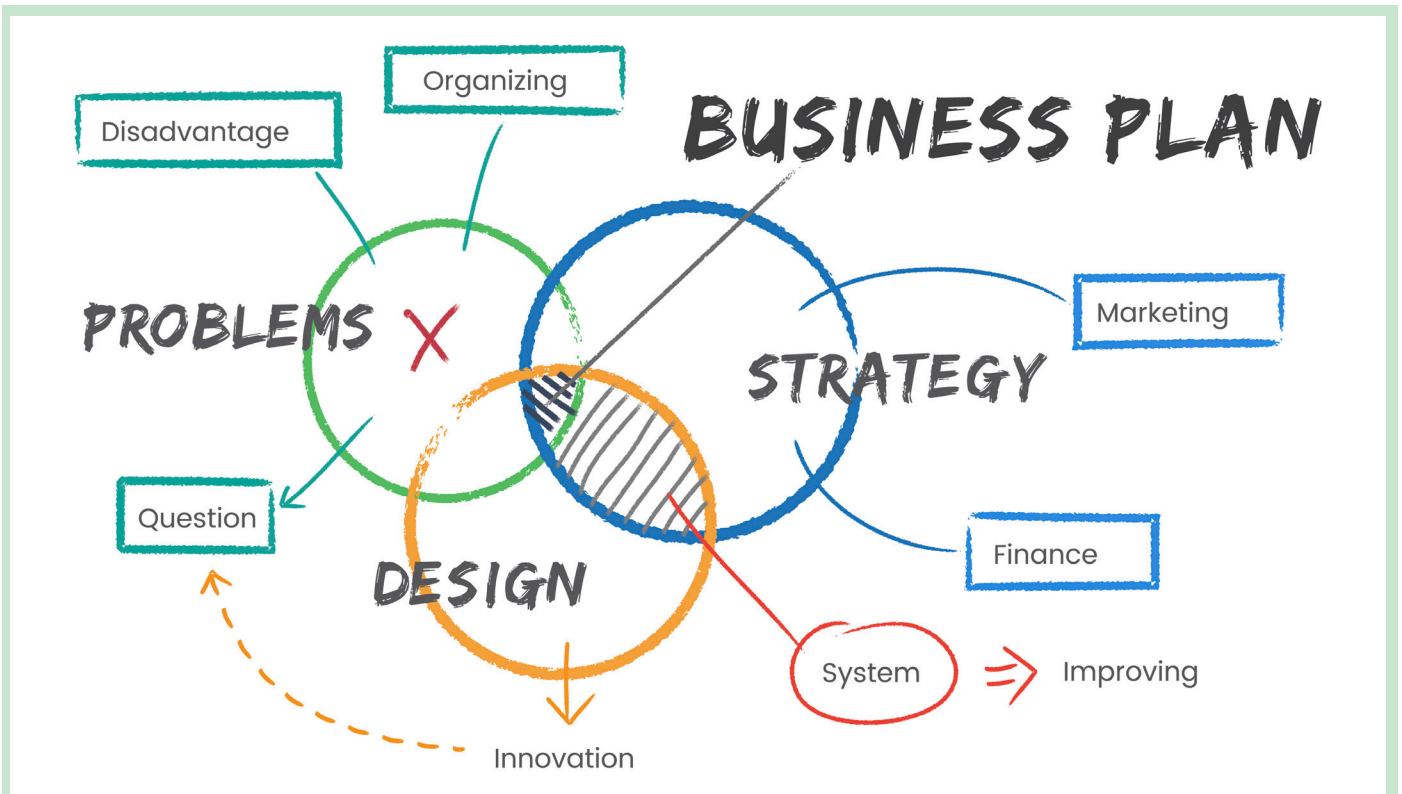
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## Making a Business Plan for your Passion Fruits

*Why is it important to have a business plan?*

A business plan keeps you focused on your aims and goals. It helps you look at where you are now and plan the future of your business.



### Be Aware:

Some enterprises need you to invest money in the first and even second year before you start making a profit.

**This is the case for passion fruit farming. You can expect to become profitable in Year 2.**



### Tip:

Be sure you have enough money to set up and run the business in Year 1 before making a profit. Consider intercropping your passion fruit with other crops (e.g. leafy vegetables) so that you have another income stream.

# 1. Business Overview

*Start off by describing your farm business, what is its mission and what is the vision and the goal? Why did you choose this business and is it owned by a group or just one person?*

- A **Mission** is what you want to achieve with the business in, say 2 months, 1 year, 2 years, 3 years. For example: I am here to farm layer chickens that will produce yellow yolk eggs.
- A **Vision** is for example: In the next 3 years I would like to be among the leading passion fruit producers in my region.
- A short term **Goal** could be: To raise enough money to set up the passion fruit vineyard in 2 months time. A long term goal could be to meet all the standards needed by the export market by end of season 1.
- **Ownership** - Who owns this business? For example Kagawa enterprise is owned by Chelugui who serves as the managing director.

Fill out the below table for your business.

## My Business Overview

Name of the business	
Ownership	
Location	
Mission	
Vision	
Why did you choose this business?	
Description (What does your business do?)	
What is your goal?	

# Enterprise Analysis

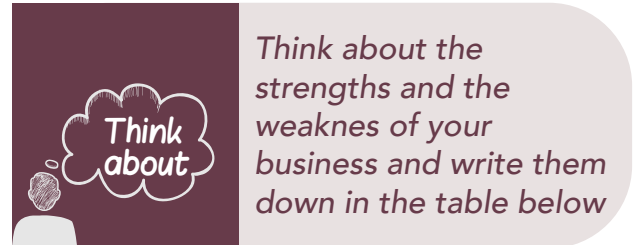
To know if your business will be do well, do what we call a SWOT analysis. This looks at the **strengths** of the business, **weaknesses**, opportunities and **threats**.

## Strengths and Weaknesses

Internal factors inform your weaknesses or strengths.

This includes:

- Your team members
- Where your business is located
- Amount of money you put in the business
- Activities you engage in and
- Your reputation in the community



STRENGTHS	WEAKNESS
<i>We love what we do and want to produce the best passion fruit in our community.</i>	<i>Starting capital is quite high and more finances are needed in the 1st year.</i>

## Opportunities and Threats

External factors such as changes in the economy, increasing fuel prices, new buyers or access to foreign markets can either pose opportunities or be threats to your business.

List down all the opportunities your business can have and the threats it might face in the course of time.

OPPORTUNITIES	THREATS
<i>Partnership with people who sell outside the country or those who make passion fruit juice will help us grow quickly and expand.</i>	<i>The rains have not been coming as we expect and this may reduce our yields leading to low sales.</i>

# Team

Who are your team members? What is each member doing?



Remember! Behind every successful business is a great team. Fill in the different positions there are in your business.

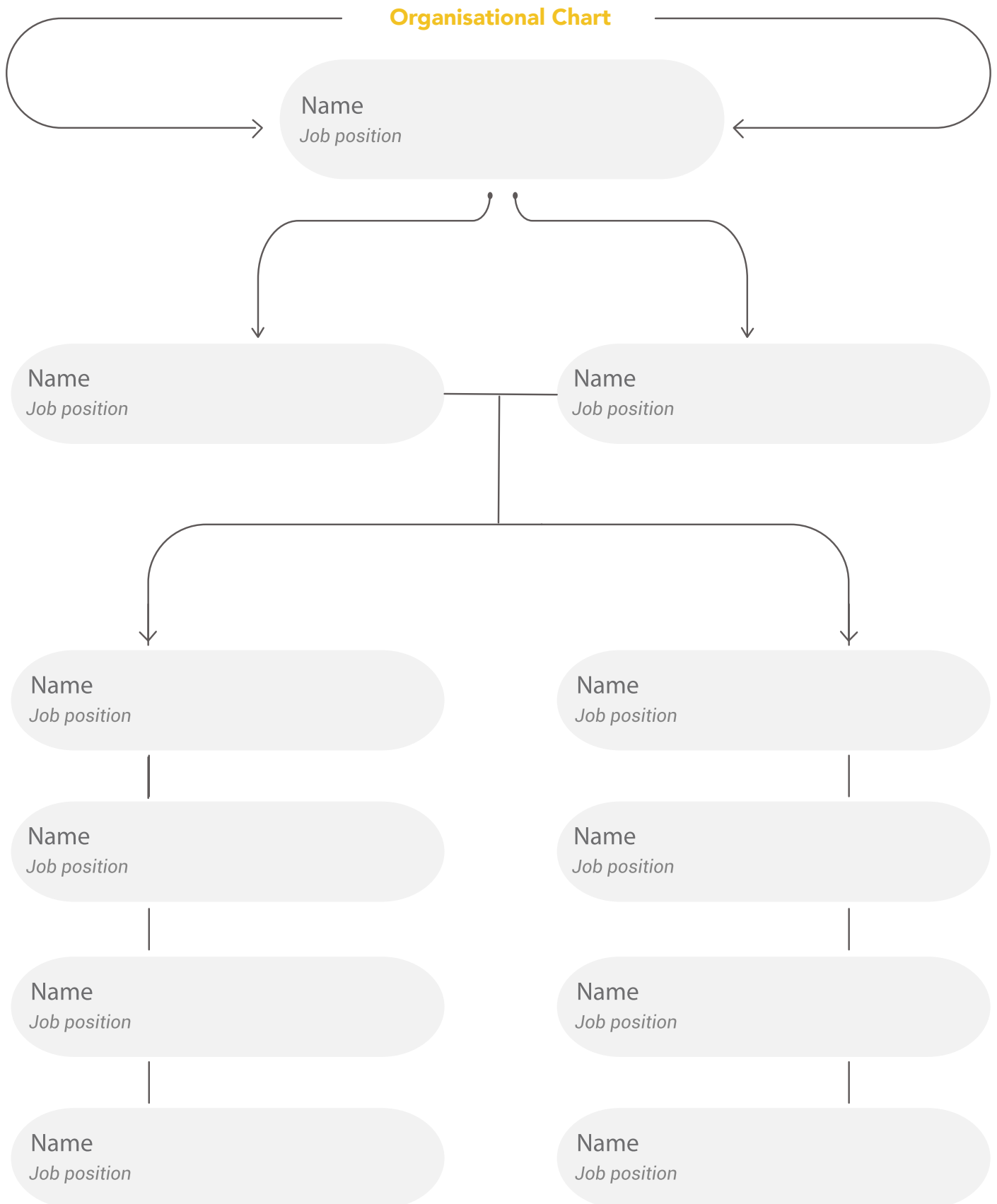
Fill out the table showing who you will need in the business. This includes their roles, when they will start working and whether they will be fully employed or work on a contract basis.

STAFF	HOW MANY?	QUALIFICATIONS	WHAT IS THEIR ROLE?	WHEN DO THEY START (DATE)?	TERMS
<i>Farm Agronomist</i>	<i>1</i>	<i>A Bachelor's degree in Crop protection</i>	<i>Overall farm management</i>	<i>15/09/2023</i>	<i>Full time</i>

# Organisation Structure

Every business needs a team that can deliver quality products and services to its customers. A business can have the overall manager, experts and casual workers to help with the work on the farm.

Fill out the below chart with all team members in your company.



## 2. Products and Services

It's good to have more than one business model. If one business fails, then you have other products or services that will give you an income.

### Products and Service Overview

Describe the products and services you offer. This will include what you grow, the variety and other services offered within the farm such as farmer trainings.

Fill this table with products and services offered in your farm.

PRODUCTS	VARIETY	SERVICES
<i>Passion fruits</i>	<i>Yellow passion for local use</i>	<i>Offering farm visits to other farms</i>

Additional notes

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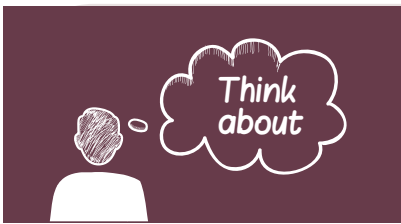
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# Market and Target Customer

Markets help farmers to sell and earn money for their business. It's a good idea to find a market before you start your business.

## Target Market



- *Who will you sell to?*
- *What does your ideal customer look like?*
- *How will you get more customers?*

Fill in the below table.

GUIDING QUESTIONS	ANSWER HERE
Who are your top 3 customers?	
How does each of your customers like to be treated?	
Which customers do you wish to bring on board?	
How will you recruit new customers?	

# Think about the 4 P's



**Product**



**Price**



**Promotion**



**Place**

## Product

This is what you will be selling at the market.

For your passion fruits business think about the following:

GUIDING QUESTIONS	ANSWER HERE
Which variety sells well in the market?	
Is there a ready market for these fruits?	
Which other farmers are growing passion fruits?	
What quality does the market want?	
What are your marketing costs?	
Do you need to pay for a licence or permit to sell or hawk passion fruit?	

## Competitive Advantage

Why should customers buy your products or services and not buy from other farms? (Why is your product preferred?) **List your reasons down below.**

Example: *My product has a better price than my competitors.*

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What are you doing to make your product stand out? Describe how your product will stand out amongst other sellers and farmers. **List your reasons here.**

Example: *I have packaged my passion into 2 kg, 5 kg and 10 kg to meet the needs of my*

*different customers my neighbours pack in 10 kg only!*

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## Competitive Analysis

Find out who is offering the same products and services as you and know their strengths and weaknesses.

GUIDING QUESTIONS	ANSWER HERE
Who are your top 3 competitors?	
Where are they located?	
What activities do they do that are different from yours?	
Are these activities working to their advantage?	
What do you think is missing in the market and you can come in to fill that gap?	

## Price

Work out a good price for your product.



- Are there different prices for different grades?
- Will you charge everyone the same price? Or will this change depending on the buyers?
- Does the price cover your production costs and will you make a profit?
- What are buyers currently paying for your product?
- Find out how much your neighbours are selling passion fruits for.
- Will the price change over the year?

If your price is too high, customers may not buy from you. But if your price is too low, you may not make a profit.

# Promotion

## Marketing Strategy

*How will people know that you sell passion fruits?*

Here some ideas of how to advertise your business:

- Place posters at your gate
- Word of mouth (e.g. tell people at church and your children’s school)
- Talk to brokers
- Visit people that are likely to be buyers in the future
- Use social media like Facebook or WhatsApp or online platforms like Mkulima Young, OLX, Farm Soko and SokoPepe

## Place

*Where will you sell your passion fruits?*

### Informal markets

- Farm gate
- Village markets
- Schools
- Eateries
- Clinics

### Formal Markets

- Hotels
- Supermarkets
- Processing companies
- Local buyers in the markets
- Exporting outside of Kenya

Here some questions to help you decide the best market for you!

GUIDING QUESTIONS	ANSWER HERE
Which markets can you reach easily? E.g. local market, next city, school.	
Are you producing fruit for the local, regional, or export market?	
How will you bring your produce to this market? E.g. Boda boda, hire a pick up.	
Where can people buy your passion fruits? E.g. At farm gate? Do you deliver? Online or social media?	

## Sales Strategy

*How will you sell your product?*

GUIDING QUESTIONS	ANSWER HERE
Will you sell to people who buy a lot of fruit at once?  Or will you also sell to those who want to buy few fruit for home use?	
How will you motivate your regular customers? E.g. Discounts or give produce on credit?	
Will you train customers on how to handle and store produce?  Will you add value to your passion fruit e.g. make juice or passion fruit flavoured yoghurt?	



- *Where do you live?*
- *Will transport costs be high?*
- *If your shamba is small, are there other farmers to form a group with?*

## 3. Operation Plan

### Financial Plan

A financial plan captures all the money you will spend and the money you expect to get from your farming business.

#### Your Budget

A budget is a way for you to plan ahead by listing how much money you expect to spend (Money OUT) and how much money you expect to make (Money IN) from your business.

It is for a specific period of time – that can be a production cycle or season.



- *How much money will you need?*
- *What savings do you have?*
- *How much will you need to borrow from friends or take as a loan?*

You can loan money from a chama where you are a member, a SACCO or Bank like KWFT, Equity or any others where you bank. Check what collateral or interest rates the bank is asking for!

Make sure you plan for money needed to:

- 1) Run and grow your business
- 2) Save and
- 3) Pay yourself

To help you make a budget for your passion fruit farm, use the Budget Mkononi tool. Go to [www.budgetmkononi.com](http://www.budgetmkononi.com)

There are different types of costs in any business. Some costs are one off, some are regular and some vary throughout the growing season.

ONE-OFF OR FIXED COST	REGULAR COSTS	VARIABLE COSTS
Vineyard structures and trellises	Salaries for employees and workers	Inputs, seedlings, soil test, tilling land, manure
Buying farm tools e.g. <i>jembe</i> , watering cans, wheelbarrow.	Rent for where you sell passion fruits	Money to market and do promotions
Irrigation equipment e.g. Water pump, Water tank	Lease for the shamba	Packaging and transporting fruits to the market
Selling permit		Consulting an expert

It's important to know what kinds of costs you have (Money Out) so you can plan better. Refer to our online budget to know which costs are weekly, monthly or one off.

Remember to list all the products/services you think will bring Money IN to your farm and all income sources e.g farmer training.

## Work out your Profit

Once you know how much money you need to start the business and your expected income, workout your profits.

**Activity:** List total expected income (Money IN) then deduct your total expected expenses (Money OUT).

### Example

Expected Income from Passion Fruit Farming in Year 1 = 250,000 KES

Expected Expenses from Passion Fruit Farming in Year 1 = 300,000 KES

250,000 KES (MONEY IN)

350,000 KES (MONEY OUT)

- 100,000 KES

In this example, we make losses in the 1st year because there are many fixed costs that we have to spend money on. In the second or third year, profits should go up.

## Sources and Suppliers

Where are you going to get all the items you need to make your farming a success?

List your potential suppliers, the items you intend to get from them and how often you will do so. What are the terms of payment that they will give you?

	SUPPLIER	FREQUENCY OF PURCHASE	TERMS
<b>Fixed expenses</b>			
<i>Trellis wires</i>	<i>Farm tech</i>	<i>One off</i>	<i>Cash</i>
<b>Current expenses</b>			
<i>Wages</i>	<i>Casual labour</i>	<i>Weekly</i>	<i>Cash</i>

Refer to Budget Mkononi to know what expenditure will be incurred weekly, monthly and one off.



# Record Keeping

## Why keep records?

Before you started your business, you made a budget. Once your business is up and running, you need to keep records of what the actual expenses and incomes are.



**Remember! Keep all receipts.**

**Activity:** Record every single expense and income. Get a notebook and create a similar record book for every month. At the end of the month, add up the totals. Here is a template to help you do this.

Month / Year: \_\_\_\_\_

IN			OUT		
DATE	DESCRIPTION	AMOUNT	DATE	DESCRIPTION	AMOUNT
15/01/2023	Harvested 500kg of passion fruits. Each kg is sold at 80 KES	40,000 KES	10/01/2022	Bought 700 grafted passion seedlings at 50 KES	35,000 KES
	<b>Total</b>			<b>Total</b>	

Once this page is filled up remember to add up the total money in and money out.

*If you would like us to send you a full record template for you to print, send the phrase "RECORD BOOK" to 21606*

## Quality Control Protocol

To be successful in your farm business, it is a good idea to do things that will ensure high production while keeping the same the quality.

Think about what you will need to do to ensure high quality and list them below.

	How will you control the quality of your fruits and services?	What measures have you put in place to ensure you maintain good standards?
1.	<i>No harvesting sprayed fruits until the number of days stated passes</i>	<i>Employing qualified people who will help produce quality fruits.</i>
2.		
3		
4		
5		

## Licenses & Permits

List the available and necessary licenses and permits required for the business to operate and the government body that issues it. Attach scanned copies of the actual documents at the end of the business plan.

	DOCUMENT	NO	SOURCE
1.	<i>Business registration Certificate</i>	<i>103553640</i>	<i>Registrar of companies</i>

## Distribution/ Logistics

How will your products reach the market? Think about this and plan well.

GUIDING QUESTIONS	ANSWER HERE
How do you plan to get your products to the customers	
How long will it take for your fruit to be ready for pick up or delivery after purchase?	
What are expected pick up or delivery days during the week?	
How often will you conduct field days?	
How will consulting and extension work be done?	

### Tips for running a successful business!

- **Keep good records.** Records help you see what you are spending and how much money you are making.
- **Open a savings account** to keep money safe for when you need it. Make sure you pay back your loans on time and stick to your money plans. To open an account go to a bank with your ID and KRA Pin.
- **Join a farmers group** and work with other passion fruit farmers so that you are able to sell fruits at a better price.
- **Get a contract:** find a passion fruit buyer before planting and arrange for them to buy your fruits when you harvest.
- **Put your profits back into the farming business** to ensure that your business grows. Don't use business money for yourself. The business should pay you a salary. Use that for your personal needs.
- **Start another business** such as keeping chickens. This gives you security if one of your other businesses has issues or fails.



#### **Remember!**

*It's always a good idea to have a clear business plan at hand. This way, you will know how much money you need to get started and when you will start making a profit.*

Watch



Saturdays 1:30pm (English)

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