

FORM:APPL-1



K-LIFT

“lifting Kenyans from poverty through livestock”

BUSINESS PROPOSAL FOR FINANCIAL SUPPORT FROM KLIFT



KENYA LIVESTOCK FINANCE TRUST
P.O. BOX 66717
00800 Westlands
NAIROBI
TEL.: 020-2496915
Mobile: 0728416048 or
0734148717
E-mail: [klift2009@gmail.com/](mailto:klift2009@gmail.com)
info@klift.org
Website: www.klift.org

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1. K-LIFT STRATEGIC DIRECTION

1.1 VISION

“To become a regional leader in facilitation of wealth creation from animal resources”

1.2 MISSION

“To promote veterinary services and related enterprises through Business development and affordable credit”

1.3 KEY STRATEGIC OBJECTIVE

To become the key player in the provision of financial and non-financial services to the livestock sector in Kenya over the next 5 years.

2. SPECIFIC PRODUCTS FROM K-LIFT

If you are involved in any of the following businesses, then you can apply for a K-LIFT loan:-

2.1. Livestock Farmer (Zero grazing, pastoralist, poultry or egg production, dairy goats, etc.)

K-LIFT has a special focus on alleviating poverty at the grass root through facilitation of ownership of good quality dairy animals:

2.1.1 Loans for purchasing dairy animals:

The farmers can approach K-LIFT as either individual or group of farmers:-

i) As individuals

- a) To buy 1-3 animals (max. Kshs.200,000/=)
- b) Loan must be in form of animal(s)
- c) Animals to be certified by a qualified veterinarian on:
 - Health status – all body systems
 - Not more than 2 calvings
 - In-calf or milking
 - A producer of minimum of 20 lts of milk per day (Records availability or registration in stud book).
- d) Applicant, a registered member of the group or Dairy Co-operative Society and selling milk through the Co-operative or through the group.
- e) Loan recovery through a check-off system from the Co-operative Society/group.
- f) Animals must be ear tugged, photographed and insured with CIC (K-LIFT to arrange).
- g) Loan secured through title deed.
- h) Interest rate negotiable but competitive.
- i) Payment period – a maximum of 36 months.

ii) As a Group of Farmers

- a) Minimum of 15 Farmers in the group.
 - Group must have been in existence for minimum of 6 months and registered with Ministry of Social Services.
- b) To buy 1 or 2 animals (Max. Kshs.100,000/=).
 - Farmers must contribute 10% of the value of the animal(s) upfront.
- c) b – f as above on individual application.
- d) Group must ensure proper animal health care.
 - Access to a qualified animal health service provider.
 - Access to a dip or have his/her own acaricide spraying pump.
- e) Loan can be secured through group guarantee. Co-operative Society or group to enforce this guarantee (No sale of animal before loan is repaid, milk must be delivered through the Co-operative Society or group).
- f) Interest rate negotiable but competitive.
- g) Payment period – a maximum of 18 months.

- 2.2 Animal Health Service provider (veterinarian or Animal Health Technician.)
- 2.3 Artificial Inseminator.
- 2.4 An agro-vet dealer – sales and distribution.
- 2.5 Milk Processor (as an individual, partnership, company or Co-op Society.)
 - Buying raw milk, cooling, pasteurization, yoghurt/mala production, packaging, etc.
 - Milk bar.
- 2.6 Manufacturer and distribution of animal feeds.
- 2.7 Co-operative Society offering support to Livestock Farmers.
- 2.8 Livestock Traders.
- 2.9 Dealer in Hides and Skins.
- 2.10 Honey Processor/Producer.
- 2.11 Fish dealer/processor.
- 2.12 Livestock insurance – agency for Co-operative Insurance Company of Kenya (CIC)
- 2.13 Factoring or Invoice discounting.

Anything to do with Livestock!

3. LOAN STRUCTURE

3.1 Loan Ceiling

The loan ceilings are negotiable and will depend on the type of product desired.

- **First time loanees**

This will vary from a ceiling of Kshs.200,000/= to Kshs.500,000/= depending on the risk profile of the applicant.

- After successful repayment of the first loan, the ceiling will be Kshs.300,000/= to 1.2million depending on the applicant's risk profile.

3.2 Repayment Period

Short term loans = 6months to 18 months

Long term loans = up to 36 months.

3.3 Interest rates

These are negotiable and competitive depending on the product.

3.4 Security = Various options:-

- i) **Title deed** for land or property in urban or rural area.
- ii) **Chattels mortgage** for a motor vehicle, motor cycle or other immovable properties. This is accepted only as a top up to other securities.
- iii) **Third party guarantee.** A Registered Power of attorney should be obtained for such a guarantee.
- iv) **Shares** from Public quoted companies.
- v) **Life Insurance** – surrender value will be considered.
- vi) **Livestock** – In using livestock as collateral, the applicant must belong to a registered group of farmers as in (vii) below.
The animal must also be insured with Co-operative Insurance Company of Kenya (CIC).
- vii) **Group Guarantee** – Group must be registered with Ministry of Social Services and will have existed for a minimum period of 6 months. They must have a common bond of livestock keeping and marketing their produce through the group.

4. HOW ARE THE K-LIFT LOANS TO BE ACCESSED?

K-LIFT loan facility will be available to any person from any part of Kenya who is earning a living from the livestock industry. This is whether one is involved in production, processing or marketing of livestock products or any other livestock related activities.

The loans are available to individuals, partners, companies, organized groups or Co-operative Societies involved in livestock business.

Applicants will be required to complete this Business proposal which will serve as the Loan application form. It is available from K-LIFT offices in Nairobi or K-LIFT agencies in the major business centers of Kenya at a small fee of Ksh.250/=. The Business proposal/ application form should be filled as accurately as possible and one should ensure that all the relevant information requested for is provided. Any loans advanced towards financing such a proposal should be strictly used for what it was applied for. Diversion to other activities unrelated to livestock will lead to the loan being recalled.



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BUSINESS PROPOSAL

1. Profile of the Applicant:-

a) Personal Information

Name:.....

Address:

Tel. No.: Office.....House.....Mobile.....

Email address:.....

ID/No.....

Age: Marital Status:

No. of children:

Name of next of Kin.....

Relationship

Tel. No. and Address of next of Kin.....

b) Education/Professional Association

Professional and Academic qualifications:

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Indicate Registration status in Professional organizations (Yes or No) – If Yes since When?

KVA:

KALT:

Any Other:

c) Employment Status:

i) Formal Employment Yes No

If Yes - Name of Employer

Designation/Title

ii) Self Employment Yes No

If Yes, Type of Work

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iii) Retired Yes No

If retired, source of livelihood:-

a) Pension Yes None

b) Self employment Yes No

If Yes, type of work
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Work Experience:

Period	Organisation worked in	Responsibilities or Type of work done

2. Description of the Business

Provide the following details on your business:

Name of your business	Location of Business

Indicate whether business is registered with the relevant authorities [Local council, KVB, Pesticides Products Chemicals Board (PCPB) etc.]. – Provide copies of licences.

Authority	Yes or No
Local Council	
KVB	
Pesticides Products (PCB)	
Any Other	

Indicate type of Business (√)

Sole proprietorship

Partnership

Limited Liability Company

State the exact nature of your business (e.g. carrying out Artificial Insemination, running an Agro-vet chemicals business, etc?)

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Is this a new business or is it an old business which you want to expand?

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3. What is the organization structure of the Business?

Include all the people who will be employed in the business and clearly define their responsibilities and their likely monthly salaries. Include also the structure of authority in the business

Name of employee	Title or designation	Brief job description	Monthly salary

4. **Information on the catchment area**

(NB: The information requested here is only for loans towards setting up a veterinary clinical services.)

Provide detailed information on the catchment area that is relevant to the business intended.

Such information should include:-

The numbers of animals in the catchment area.

TYPE OF ANIMALS	NUMBERS
Dairy animals	
Beef	
Sheep	
Goats	
Pigs	
Poultry	
Dogs	
Any other	

A list of the 10 most important diseases. Indicate the frequency of occurrence per month for 12 months (i.e. incidents).

Top Ten Cases common in the area	Frequency of Occurrence(Indicate per month)												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Artificial Insemination													

On the basis of the above information data make an assessment of the estimated economic potential for the business in the area

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From this data it should be possible to estimate the potential of clinical services business as well as the agro-vet business in the catchment area. Out of this give a projection of the market share of this business that you plan to capture on a yearly basis over the next 3 years. It is important to give realistic projections.

	1 st year	2 nd year	3 rd year
Market Share %			
Value in KShs.			

Provide data for other livestock related business that one wants to venture into so as to make an assessment of the economic potential of that business e.g. Hides/Skins business, live animals Trade, etc.

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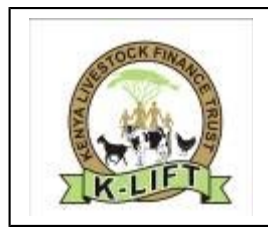
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5. SWOT analysis

This is information on both the internal operating environment of your business in which you may have some control and information on the external environment in which you will not have much control.

‘S’ stand for strength and ‘W’ stands for weakness

These are the strengths that you and your business bring to the business while weakness is the weakness of yourself or your business. Strengths should be exploited and made use of for the success of the business while weaknesses should be tackled so that they have minimal impact on the business.



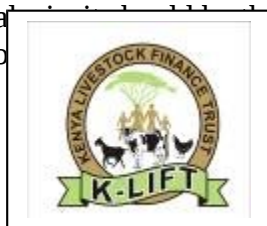
Strengths	Weaknesses

‘O’ stands for opportunities and ‘T’ stands for Threats

These are for the external environment. The External environment should look at the Political, Economic, Cultural, Social and the Technological issues which might impact on your business positively (opportunity) or negatively (Threats) Opportunities should be exploited to the full while Threats should be avoided so as to reduce their impact on the business.

Opportunities	Threats

In coming up with a SWOT analysis, you should be thorough and nothing should be hidden because the strategies and Action Plan you develop on your business will be based on these.



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6. **Marketing Plan:**

The marketing plan of the business should address the 4Ps i.e. products, Price, Place and Promotion.

Product:

Clearly indicate the Products or Services your business will offer. For example, if offering Animal health services indicate which of the following services you will offer: Clinical services, herd health, Artificial Insemination, etc. The services you offer should appear in your cashflow projection as sources of your income.

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For an agroveter shop it is useful to indicate the **product lines** that you will be involved in such as acaricides, anthelmintics, etc.

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Price:

It may not be practical to provide prices for all the services/products that your business will be offering. It is, however, important to consider pricing in so far as the profit margins that you plan

to have are concerned. Provide, therefore, information on the range of profit margins that you plan your business to maintain.

You may want to have a strategy of high turnover but small margin or low turnover but with high margins.

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Place:

This should indicate the physical location of your business. Business location is very important and it should not be underestimated. The business should be located where it is easily accessible to the clients.

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The mode of distribution of products especially if one is running an agrovet shop is also very important. An indication of the channels of distribution of the products should also be provided (are you selling from an agrovet shop or van-selling?).

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Promotion:

Provide an indication of how you plan to inform the potential clientele of the business. There are many ways in which this can be achieved such as farmers meetings, word of mouth, advertising on the radio or newspapers, etc. The most appropriate and cost-effective method for your business should be highlighted.

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7. Competition

It is highly unlikely that one will be entering a business where there are no other players present. It is important to study and understand your competitors. Highlight them so that one is clear whom the business will be competing with.

It is necessary to develop and put down a competitive strategy on how you plan to offer competition to your competitors.

Under competition make sure that the following questions are answered?

7.1 Who are the serious competitors for your business in your area of operation?

Name of Competitor	Their market share of Business in your catchment area(%)

7.2 For the top competitors give their strengths and weaknesses.

Name of competitor	Strengths	Weaknesses

7.3 How do you plan to deal with the strengths of the competitors and what will you do to exploit their weaknesses to your advantage?

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8. Financial status of yourself and or the Business

i) Sources of Income in Kshs. (Per month)

Salary	Pension	Clinical Services	Agrovet	Milk Sales	Eggs Sales	Other (Specify)	Total

Provide proof or evidence for these forms of income.

ii) Bank & Branch

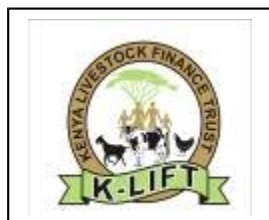
Name of your Bank	Branch

iii) Provide Audited Financial Statements for the last 1 or 2 years together with Bank statements for the last 6 months. If Audited accounts are not available then provide Bank statements for the last 2 years.

How has your business been financed? If funds have been borrowed from a Bank, indicate:

Name of Bank	Branch	How much borrowed	Interest for borrowed funds p.a.	Balance at the time of application

The Financial status should also provide a cashflow projection for the next two years. Cashflow projections should clearly indicate all the sources of finances and how these funds will be utilized. It should clearly show net cashflow as an indication on when extra financing may be required for the business. *See attached format of a cashflow.*



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iv) **Current List of Debtors (those who owe the business)**

Name	Amount	How long owing (Debt)

v) **Currents List of Creditors (those whom the business owes)**

Name	Amount	How long owing (Credit)

9. From all the information provided above, especially on your total revenue inflows per month, *how much money can you comfortably afford to pay per month towards servicing a loan from K-LIFT?*

Kshs.....

10. For the Loan applied for:-

10.1 How much financial support do you require?

Kshs.....

10.1.1 State in details what you want to do with the loan to be advanced to you, giving a breakdown of all the expenditures that the loan will go to. The figures here should also be shown in your cashflow projections

ACTIVITY	PROJECTED EXPENDITURE

10.2 What security do you plan to offer for the loan? Attach a copy of it.

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CASHFLOW PROJECTION

CASHFLOW PROJECTION



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11. **Declaration**

I, confirm that all the information provided above to support the loan application is true, and that if, during the evaluation, it is revealed that any information provided is false, this will lead to rejection of the application.

Signed: _____

Date: _____

12. ATTACH COPY OF IDENTITY CARD (ID)

**13. ATTACH A COLOURED PASSPORT SIZE
PHOTOGRAPH OF APPLICANT**

14. ATTACH COPY OF SECURITY

15. ATTACH BANK STATEMENTS FOR 1 YEAR

ATTACH MAP (INDICATE MAJOR LANDMARKS)

District.....

Location.....

Village.....



Dairy Cows



Poultry



Dairy Goat



Pigs

Lifting Kenyans from poverty through livestock.

This is done through making affordable credit available to livestock farmers



Physical Address

K-LIFT offices are in the Veterinary Laboratories Kabete off the Nairobi- Nakuru Highway

KENYA LIVESTOCK FINANCE TRUST
P.O Box 66717 00800 Westlands
Nairobi, Kenya

Tel. 020-2496915 / 0728-416048 / 0734-148717

Email: Klift2009@gmail.com or
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