



# ***BUSINESS PLAN***

for business activity:

***CONSTRUCTION  
OF SLOVENE BEEKEEPING SCHOOL  
KHAMRON- CAMBODIA***

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CONTENTS	Page
1 SUMMARY .....	5
1.1 A brief presentation of author and branch .....	5
1.2 A brief overview of the past work on the project .....	5
1.3 Possibilities and strategy .....	6
1.4 Target markets and projections .....	7
1.5 Competitive advantages.....	7
1.6 Economy, profit making and possibility of project survival.....	7
1.7 Management team.....	7
1.8 Finance resource acquiring .....	8
1.9 Project value .....	8
2 BEEKEEPING SCHOOL, MODEL OF SPECIALIZED FARM FOR BEEKEEPING, PRODUCTS/SERVICES.....	9
2.1 Legal an organisational form .....	9
2.2 Organisation founders.....	9
2.3 Date of registration .....	9
2.4 Organisation head office.....	9
2.5 School educational program .....	9
2.5.1 Mission .....	10
2.6 MODEL FOR SPECIALIZED SCHOOL FOR BEEKEEPING .....	10
2.6.1 Diversity of sowed cultures.....	11
2.6.2 Planned sowing cultures.....	12
2.6.3 Products of specialized farm for beekeeping.....	12
2.4 Farm significance and its activity for neighbour community .....	13
3 MARKET RESEARCHES AND ANALYSIS .....	14
3.1 Analysis of target groups .....	14
3.2 Target market description .....	14
3.3 Competition analysis.....	14
3.4 Selling prognosis.....	15
4 KNOWLEDGE AND PRODUCT MARKETING PLAN (MARKETING PLAN) .....	16
4.1 The whole marketing strategy.....	16

4.2	Defining of prices for education .....	16
4.3	Selling policy .....	16
4.4	After sale service policy .....	16
4.5	Advertising and promotion .....	17
4.6	Bee movement and product distribution.....	17
5	PLAN, DESIGN AND DEVELOPMENT .....	18
5.1	Development and research state.....	18
5.2	Difficulties and risks .....	18
5.3	Improvements .....	18
5.4	Expenses (preliminary estimate for improvement and education) .....	18
6.	BUSINESS PLAN EXECUTION CYCLE .....	20
6.1	Executive cycle of school and specialized farm for beekeeping:.....	20
6.2	Geographic location.....	20
6.3	Buildings and equipment .....	21
6.4	Strategy and plan.....	21
6.5	Human resource plan.....	21
6.6	Acquisition plan .....	22
6.7	Logistic plan.....	22
6.8	Legal matters, permissions and environmental issues .....	22
7.	MANAGEMENT, ORGANISATION AND PROPERTY .....	23
7.1	Organisation and key leading staff .....	23
7.2	Professional advisers and services .....	23
7.3	Other investors .....	23
8.	BUSINESS ECONOMY AND FINANCIAL PLAN .....	24
8.1	Basic resources investment value.....	24
8.2	Fixed, variable, and half-variable expenses.....	24
8.3	Planned incomes 2008 – 2009.....	27
8.4	Project thrift limits .....	29
8.5	Number of years necessary to achieve positive financial state .....	29
8.6	Other indicators of business success.....	29
9.	CRITICAL RISKS AND PROBLEMS .....	30
10.	TIME TABLE PLAN .....	31

11. PREDICTED GUARANTEE OF RESOURCES FOR PROJECT EXECUTION .....	32
11.1 Necessary investments for project beginning.....	32
11.2 Financial resources .....	32
12. APPENDIX.....	33
WHY SLOVENE BEEKEEPING SCHOOL IN CAMBODIA.....	33



## 1 SUMMARY

### 1.1 A brief presentation of author and branch

In my previous business activity I was engaged in two projects. I acquired theoretical and practical knowledge that I want to use in some other projects. I am a graduate of organizational sciences and my previous experiences consist of constructing and managing of business offices, as well as a project of branch office opening – dislocated business unit of PVC and aluminium window producer, business branch office management and order realization managing.

A part from that, I am also professionally engaged in beekeeping activity during last three years, but beekeeping has been a passion of mine since my childhood. I have been perfecting my beekeeping experiences in New Zealand with inventor and beekeeper Tony Freser-Jons for three months. During my work in Cambodia, I also visited beekeeping farm in Thailand.

Being motivated by my friend Mr. Alojz Roglič I visited Cambodia for the first time in 2005 and since then I have been intensively working under support of non-governmental organization Sustainable Cambodia on the beekeeping project.

In the past two years I have been volunteering for 8 months on those projects. A month in September 2005, a month in September 2006, six months from September 2006 to March 2007, and in December 2006 beekeeper Janez Pungartnik joined me for two months.

In October 2007 I came back to Cambodia and have been working on the projects for two months, Mr. Janez Pungartnik for four months.

### 1.2 A brief overview of the past work on the project

Activities in the past two years were focused on:

- Viewing of different parts of the state in order to establish natural possibilities for beekeeping
- Connecting to the non-governmental organization Sustainable Cambodia and under its support introduction lectures about co-existence of man and bee, bee significance for nature and man
- Choosing and settling of three locations with bees (*apis mellifera*)
- Technology adjusting (above all beehives) and settling of *apis cerana*, one of autonomous Cambodian bee species
- I learnt them how to make beehives
- We independently brought up the first queen bees throughout theory and practice

- We adopted essentials of bee family raising
- We were following what, where and when they give honey
- Lectures about bee biology essentials
- In December 2006 the projects was presented to Cambodian Ministry of Agriculture
- A temporary bee settlement was placed in Kamron (Kardamom Mountains) at the very edge of jungle in January 2007. Sunflowers were experimentally planted on a surface of 1ha.
- Ministry of Agriculture sent the first four representatives from different provinces for education
- The bee project was presented at local level in Pusat in March 2007
- There were altogether 19 pupils present at our bee settlement for ten days (above all farmers and students from different provinces) from March to August 2007
- There were about 70 people who visited our bee settlement during that period and who were sent to us by Ministry of Agriculture (one day visit, students and teachers from three different universities, representatives sent by other non-governmental organizations which have activities in Cambodia). We don't count any more other visitors such as school children, domestic tourists who came for an hour or two because the number approaches one thousand.
- The project was presented on three national broadcasting televisions, in two national magazines and one journal.

We can proudly say that our previous work on this project arouses general public interest and there is no fear as far as further interest is concerned.

### **1.3 Possibilities and strategy**

There is no institution in Cambodia which could offer such an education. The beekeeping project in Pursat whose initiator and main leader I have been from the very beginning is a unique of that kind in the state. We gained certain advantages and experiences in these two years with our activities and work. Cambodian Ministry of Agriculture and Fishing is aware of bee significance for agriculture and shows noticeable interest, that's why they have been sending representatives for education for a year and half which cannot be performed the way we could by our theoretical and practical knowledge due to insufficient room capacity and lack of equipment. There was a great interest for cooperating in this project, above all in sense of sending representatives from non governmental organizations as well as inhabitants for education.

#### **1.4 Target markets and projections**

We will organize beekeeping the way we can establish beekeeping societies and include them into the association within which the school will have its activities. In that way, we will be present in the whole Cambodia in several years, in the field in form of representative workshops, in the school itself, a part from theoretical part of educational process, there will be also practical training.

Our target groups are:

- Interested inhabitants,
- Interested individuals – entrepreneurs who see in beekeeping a possibility to make profit,
- Bee hunters,
- Public institutions – schools, universities,
- State administration – Ministry of Agriculture.

#### **1.5 Competitive advantages**

Our main competitive advantages are above all deficient knowledge, supported by concrete research work in past three years. We can guarantee the full offer with our knowledge.

#### **1.6 Economy, profit making and possibility of project survival**

This project is not intended to make profit, although we can assure independence from outer financial sources in a few years. We can cover current school expenses with correct work with bees, honey manufacturing and other profitable activities. Educational activities will be developing in two levels: theoretical and practical. Practical part includes complete beekeeping manufacture where the pupils will execute all beekeeping activities.

#### **1.7 Management team**

There was no organized beekeeping in Cambodia until now, that's why we must establish the organisation in the sense of beekeeping association and clubs. All human resource structure is determined by association and club bylaws.

At the beginning the association will be led by Tomaž Oštir, the school will be in his charge as well.

## 1.8 Finance resource acquiring

***The purpose of business plan is to acquire the first financial resources by ROTARY CLUBS OF SLOVENIA and to build with their help the school building, as well as to equip it for the beginning of its activity. In that way we can name it Slovene Beekeeping School, but we can also name the project itself Slovene project, what it already is having in mind the source of knowledge and experiences from its very beginning.***

## 1.9 Project value

The value of the whole project can be difficultly estimates at this moment. It is about the transfer of Slovene knowledge to the foreign market with the help of the school. Project influence and value will be shown in a few years, when the first hundred pupils finish it.

The project is valuable approximately 20,000€ at this moment according to our expense estimation for school construction, organisation setting up, school staff education for the monsoon season and beekeeping manufacture initializing.

The price of honey is 15\$ per kilo on Cambodian market at this moment, but majority of that honey is forged or imported from Thailand or Vietnam (comparison: teacher's or policeman's salary is approximately 40\$ a month). At this moment there is no producing of honey in Cambodia (the first 100 kg of honey were produced in 2006 in our test beehive in Pursat).

The number of autonomous bees falls down due to uncontrolled destruction, the jungle surface reduces enormously, and the jungle offers home for numerous bee colonies. Pesticide usage increases, and it additionally reduces the number of autonomous bees, consequences will be seen in agriculture because bees are very important pollinators of farm cultures. As an example I will say what happens in US because of destruction of 70% of bees in some states. Losses are estimated to some 14 billion USA \$. We can say that all the other expectations that we have can be neglected comparing to the pollinating value.



## **2 BEEKEEPING SCHOOL, MODEL OF SPECIALIZED FARM FOR BEEKEEPING, PRODUCTS/SERVICES**

### **2.1 Legal an organisational form**

At the beginning we will act as one of the projects of non-governmental organisation Sustancible of Cambodia. This organisation supports the project from its very beginning in September 2005. By spreading project activity we plan to establish independent organisation – beekeeping association in the next two years for easier recognition and work. Organisation head office will become Slovene beekeeping school.

### **2.2 Organisation founders**

Activity is being performed as a project of non-governmental organisation at the moment. We have intention to keep it that way. The founder of the project is a non-governmental organisation Sustancible of Cambodia, the work is founded on Slovene knowledge and Slovene beekeeping practice.

### **2.3 Date of registration**

### **2.4 Organisation head office**

Sustainable Cambodia, Inc. Is a non-profit organisation.

1110 NE Third Street, Gainesville, Alachua County, Florida.

Director / President / CEO	Richard R. Allen
Director of International Affairs / Executive VP	Bruce A. Lasky
Director / Vice President	David Pred
Director / Secretary / Treasurer	Susan J. Mastin

### **2.5 School educational program**

We will practice the activity of theoretical and practical education in the field of:

- Bee biology, raising of bee families, pasture
- Beekeeping technology with Apis cerano and Apis mellifero,

- Producing of bee products, quality, marketing,
- Enterprise counselling (how to form a small beekeeping),
- Execution of practical training with bees,
- Keeping touch with new beekeepers and counselling,
- Preparation and execution of additional specialized education, interesting lectures from other agricultural activities in connection with bees.

A part from education, we will perform activities whose purpose is to refresh the practical part of education within school and staff:

- We will try to do our best in the field of beekeeping development on the state level with our research work,
- We will provide accessibility of information to a wider cycle,
- We will fight for protection of autonomous bee species and help keeping them in their natural environment,
- We will try to connect all the activities in the field of beekeeping at the state level organisationally,
- We will cooperate intensively with Ministry of Agriculture and Education.

### **2.5.1 Mission**

We want to establish and implement beekeeping in Cambodia. The main task of school will be to approach bees to inhabitants of Cambodia, emphasize importance of bees for agriculture and find the way of co-existence of man and bee, in the sense of keeping the bees and making the mutual benefit. We want to find appropriate technology of beekeeping, proper for natural ecosystems.

### **2.6 MODEL FOR SPECIALIZED SCHOOL FOR BEEKEEPING**

The problems I have been facing from the very beginning of my work with bees in Cambodia are source of nectar and sometimes pollen also. Nectar and pollen are of great significance for survival of bees. There is enough food for bees in Cambodia during the whole year, although the quantity is limited. One of essential reasons for limited state is also the way of farming in the whole country. There are enormous surfaces with rice fields transformed into the desert during the rain period, or into the pasture field for cows, buffalos or goats. There are no meadows in Cambodia, at least those we know. Anyway we can difficultly say that we have economically

important benefit for bees from meadows, but they are an important source of pollen and nectar which bees use to satisfy current need for food when there is not abundant forest pasture. 99% of grass fields in Cambodia are freely left to grazing cows. Cows disable any kind of abundant growth of grass surfaces. Our grass fields consist of different flower plants. By mowing we disable stronger plants to overpower the weaker. The same rule can be applied to supervised pasture in pasture surfaces. What happens when we do not mow our field for several years or in abandoned field? Stronger plants overpower, weed, which is less important for bees, has flowers usually one a year and those flowers are usually useless for bees. We can say that when man tries to provide food of better quality for cattle, he accidentally cares for different plants which are important for bees too (different clovers, dandelion and other flowering plants). We can find similar example in industrial processing of oil rape, sunflowers, buckwheat, fruit trees etc. Surfaces in man power in Cambodia offer very little to bees. Rain forests are reduced to barely 27% of surface and in spite of all the protective state regulations are going to be cut till the end in next several years. Different fruit tree and industrial trees are planted where the rain forest were cut down. It mostly depends on people who govern them if those trees and plants are going to offer enough food for bees. Bees are necessary for certain fruit trees; some species are useless for bees. How to save them, to assure to be at the right place in the right time? One of 200 inhabitants in Slovenia is in beekeeping and 60% of the state is covered by forests. One should not fear for bees. A completely different example is USA, New Zealand and numerous other countries. Fruit growers in these countries depend on beekeepers, so in time of flowering of their trees they must "rent bees" and pay to beekeeper for his work. I can quote once again damage of approximately 15 billion \$ due to disappearance of bees in USA. Cambodia will be more similar to USA in its future than to Slovenia by its way of producing food. And it's precisely there that our work has its value.

### **2.6.1 Diversity of sowed cultures**

We plan to train individuals interested in work with bees in our model of farm specialized for beekeeping. If we want to be successful in that, we have to take care of the survival of bees through the whole year on our farm (at minimal food expenses in non-pasture season). Closeness of rain forest assures food sources, although we know little at what measure it satisfies our need because the model must work also without rain forest. Why? Because it's rarity and most of times hardly accessible. We will try to practically demonstrate on this farm model the way how to assure maximum food with different cultures in certain periods for certain number of bee colonies and in that way reduce feeding expenses necessary in periods of time when we cannot assure enough appropriate pasture in nature with bee migrations. We are aware that seeding and sowing of appropriate culture for bees without economical effect of cultures isn't an acceptable idea. Farm

model must economically survive without bees; everything what bees produce will be an award for work with bees. In this example it would be funds which would finance essential activities of beekeeping school. Last year we experimentally sowed 0.5ha with sunflowers. Experiment was successful because in time of flowering all our sunflowers were full of all kinds of existing bees. This year we intend to sow at least 1ha of sunflowers, 1ha of phacelia and 1ha of sesame. We will sow on a trial basis gradually throughout the whole year. The purpose is to determine what period which period for which kind of plant is the most appropriate, as well as from the honey making view. We are above all interested in what plants will flower best and assure nectar in the rain period. We have a guaranteed purchase for sunflower seeds from a Thai company. Clover and Phacelia will be an excellent addition to alimentation for the neighbour cow farm, i.e. a natural fertilizer in rotation cycle

### **2.6.2 Planned sowing cultures**

We sent the land specimens last month for analysis to Slovene Agricultural Institute in order to be advised for what kind of plants the land structure is the most appropriate. We intend to respect simple rotation rules while sowing one year cultures:

- Sesame
- Sunflowers
- Clovers
- phacelia
- oil rape

Clover and Phacelia above all as fertilizer for soil and additive for bees. Oil rape is interesting from different point of views.

### **2.6.3 Products of specialized farm for beekeeping**

Activities of a minor beekeeping production 100-200 working groups will be executed on farm and school location. We will try to produce optimal quantity of bee products with the above mentioned number of groups by right migration route. Such as:

- honey,
- pollen,
- propolis,
- royal jelly

At the same time as beginners in this activity will try with our own work to guarantee all the products which are included in the beekeeping branch (technology of beekeeping of *apis malifera* as well as *apis cerano*):

- beehive producing,
- reproducing and selling bee families,
- reproducing and selling of queen bees,
- producing of honeycombs,
- producing of protective equipment and
- other tools and equipment.

The number of bee groups will depend on the market circumstances. We intend to reproduce and fulfil the school activities by sources from selling even those where the final result is not a selling product. Above all activities in connection with informing inhabitants about bee significance and protection of autonomous bee species.

#### **2.4 Farm significance and its activity for neighbour community**

The raised farm will act as pilot project of searching new possibilities of income for the area of the neighbour villages. Shelter organisation Sustancible of Cambodia is connected with Thai oil producers with the purpose of promotion of industrial culture production on the cut down forest areas. Sunflower project is one of interesting projects. Nobody sows sunflowers in Cambodia; they sell fried seeds imported from China as we sell chips. The territory of Khamron is one of the poorest regions in Cambodia. The villagers possess quite a lot of land, although they cannot do anything with it due to financial incapacibilities. The idea of organisation Sustancible of Cambodia is to enable them to begin to work on the land. What does that mean in practice? They lend money to the interested to work on the land- to plow it, to enable them access to seeds and organise purchase of sowed culture. After the purchase of products the farmers pay back the money. Such an activity has multiple significance. The land which is currently overgrown by weed and bamboo will be worked on and that is why erosion will be reduced as well as possibilities of fires. Villagers will come to certain finance resources and the illegal cutting down of rain forests as well as prohibited hunting will be no more such necessary for their survival.

Bees will have our (beekeeping) benefit from the development of neighbour farms.

### 3 MARKET RESEARCHES AND ANALYSIS

#### 3.1 Analysis of target groups

School user will be public institutions, legal and physic entities:

- individuals,
- companies and independent businessmen,
- public institutions,
- associations and societies.

#### 3.2 Target market description

Activity isn't attached only to activities in region of Pursat, but in the whole Cambodia.

We studied market possibilities also by SWOT analysis, where we have done analysis of inner and outer environment. It's about analysis of Strengths, Weaknesses, Opportunities and Threats. The results are show below.

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>• Experience (local and global)</li> <li>• Already known on the market</li> <li>• Connected with similar institutions in Slovenia and world</li> <li>• Non-profit direction</li> <li>• Open for clients</li> <li>• We are aware where the weaknesses are</li> </ul>	<ul style="list-style-type: none"> <li>• Project initiators</li> <li>• Business still not adopted</li> <li>• Changeable market</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• A lot of potential clients</li> <li>• Market fully opened</li> <li>• Friendly inclination of similar institutions all around the world</li> </ul>	<ul style="list-style-type: none"> <li>• Predators</li> <li>• Unforeseen natural sources</li> <li>• Sources</li> <li>• Usage of unverified pesticides</li> </ul>

#### 3.3 Competition analysis

There is no competition at the moment. We are the very beginners of that activity in Cambodia. We are aware that we have done everything all by ourselves with our previous work, TV announcements and magazine articles. Ministry of Agriculture already organized the first workshop in that field last year, where all the activities executed in the state in that field were

shown. Activities of honey collectors are not our competition, because we are aware of that kind of relation they have to bees. Although the relation to everybody who is in bee business in Cambodia will be equal in sense of assuring mutual help, information and knowledge exchange.

### **3.4 Selling prognosis**

Selling is difficult to be foreseen in spite of the great interest for education. We expect the biggest reception amongst the poorest inhabitants, who will not bring any profit at the beginning as participant in educational program. The first income is planned after the first year of school activity, when the first results of specialized farm for beekeeping can be seen, i.e. after the reception of the first 50 – 100 donated colonies of melifera by Slovene beekeepers.

We do not expect important incomes in the next year. We plan to operate with twenty colonies of cerana in the farm by migrating them to rubber trees a part from test sows. We expect approximately 5kg of honey per working family in February. All other activities are in preparation phase till the next year. The expected educations will cover our own expenses. All other programs will be prepared and we expect more serious results in the next two or three years. The fact is that we still know very little about natural circumstances in the planned region. To sow 10ha with sunflowers and predict the quantity of products is very difficult, if not impossible. We need at least two test years for every culture in order to recognize all the difficulties in smaller surfaces and prepare ourselves for those difficulties. Risk will be smaller by that, and trust amongst people bigger. It's very difficult to firmly foreseen what and in what measure we will produce, selling on the contrary in European circumstances is not questionable. Cambodia has a 14 million market ruled by neighbour countries due to incapability of filling in the market by their own products. In spite of extremely low standard, prices are very high; certain products, as honey for instance, are being sold at higher prices than they actually have in Slovenia.

We suppose that we can sell the whole quantity of honey and other products in Cambodia without difficulties for several years.

## **4 KNOWLEDGE AND PRODUCT MARKETING PLAN (MARKETING PLAN)**

### **4.1 The whole marketing strategy**

Marketing strategy founds on close cooperation with Ministry of Agriculture and Fishing and Faculty of Agriculture.

### **4.2 Defining of prices for education**

The school is made above all for poor inhabitants of Cambodia. So, our motto is to enable access to knowledge to everybody who wants it. How to execute it in practical sense of the word and survive? We took the motto of Peter Šavel Glavar who taught beekeeping in Slovenia. Those who were thirst for learning were coming to his farm where he learnt them the beekeeping essentials through practical work in farm. Preparations demand series of small tasks (beehives production, honeycomb frames, standing point preparation, old honeycombs cleaning and adding of new honeycombs, honey pouring, routine works on bee families, family migrations...) and often there is a need for big work power for these small tasks, and those tasks often take a lot of time to beekeeper. However, every future beekeeper must learn those small tasks, otherwise they cost him quite money. The main idea is that pupils do certain part of these small preparation school tasks through knowledge acquiring, and they will in that way actually cover some expenses for their education, and if they are industrious and conscientious at the end of their education they will get a beehive with bees.

Educational participants sent by Ministry or Faculty (i.e. some other institution) will pay economic price, which covers expenses for lectures and living in the farm. Bees and all other equipment can be purchased also in school.

### **4.3 Selling policy**

Knowledge selling policy founds on powerful interest o individuals, as well as institutions, bee products are very wanted in spite of importation of foreign honey.

### **4.4 After sale service policy**

It's very important for these services to maintain connections with ex-pupils. So we will be at disposal for all those who gain essential knowledge for additional education and advices. We are aware of feed back information about experiences, problems and successful pupils. The project is



a long term project, precisely because of unpredictable problems which nature will impose. Only years of practical experiences will enable really safe and profitable work with bees.

#### **4.5 Advertising and promotion**

We will not need any investments in advertising or promotion for at least several years. Bee project is so new in Cambodia that magazines and television advertise it as an attraction. The response is big, at visiting completely new and distant villages we often come across people that know us from television. Of course, our result will be the best promotion among people. We intend to invite spokespeople of TV networks, universities and ministries on the school opening event and inform them about the schools' mission.

#### **4.6 Bee movement and product distribution**

A big part of working with bees will take place on the school location and later on also across the country where there will be good geographical conditions and at a certain time period. We are still collecting and preparing bee migration routes. For the first bee migrations we will rent appropriate transportation vehicles and we expect good results that will enable us to buy our own vehicle in the future.

Distribution of the products will take place by previously determined routes. One part of distribution will be attached to bigger places, to selling points on market places and buyers who are known in advance, such as chains of hotels. Global solution for distribution is prepared together with Sustancible of Cambodia which searches for distribution routes for villagers' products as well.

## **5 PLAN, DESIGN AND DEVELOPMENT**

### **5.1 Development and research state**

Main task is to follow events in bee family during the whole year. To note the results and on the basis of comparison to the previous seasons note the new conclusions. The more different locations will be included the bigger value of the acknowledgement will be. It is necessary to respect precisely determined rules depending on time, length of the observation and size of the sample during observation. Those rules give certain thesis to the work as well as value which can be compared to the research work. Agricultural Institute of RS in Ljubljana, where we agreed for long term cooperation, will be support during determination of rules during researches. Results, achieved with *Apis mellifera carnica* which we intend to include in this project when we will be prepared for that will (app. 1 year), will be above all interesting.

### **5.2 Difficulties and risks**

We will act in a much unexplored region that is why we expect difficulties. Nature is unpredictable. Risk degree will be essentially less while working with *Apis Cerana* than while working with *Apis Melifera*. However results expected from *Apis Melifera* will be unproportionally higher than *Apis Cerana*. Time is the best teacher for us. With professional support, which we have by Slovene beekeepers and Agriculture Institute of RS in Ljubljana, we can expect quick reactions and good results in years to come.

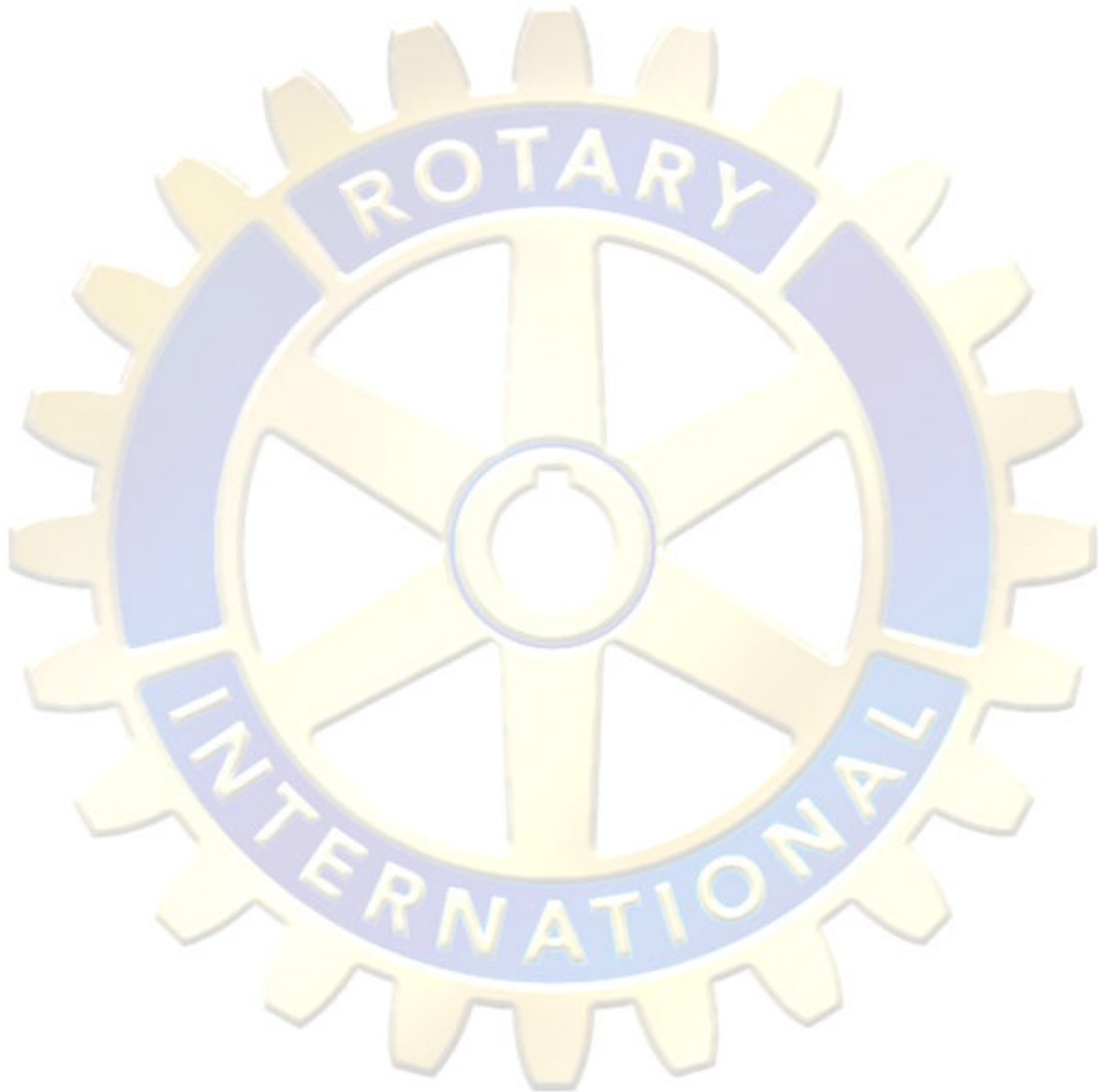
### **5.3 Improvements**

In our case, to get and to offer improvements represent a newly gained knowledge, in field of bees, in agricultural field, as well as in the field of research activity.

The successful school activity will assure a range of products in connection with bee products, work accessories and technology. We intend to use all the possibilities offered by object locations and activities which will take place in that location in the frame of the programme to provide resources for the project. One part of improvements will be directed to additional education for seedlings of honey cultures, tourism, souvenir production and useful beekeeper equipment.

### **5.4 Expenses (preliminary estimate for improvement and education)**

Expenses of education and improvement include expenses in connection with issuing visas and plane ticket to Slovenia. All other expenses are covered by beekeepers that are willing to house future Cambodian beekeepers. In 2008 visit of two Cambodian beekeepers in Slovenia for improvement for practical work with bees cost approximately 4.000,00 \$.



## 6. BUSINESS PLAN EXECUTION CYCLE

### 6.1 Executive cycle of school and specialized farm for beekeeping:

Executorial cycle will have the following phases:

#### I. Phase (September 2008)

- Acquiring of resources for school construction ( in progress)
- Preparation of programme for education in the Khmer language ( in progress)
- Preparation of location, signing the contract with land owners ( in progress)
- Preparation of plan for building ( in the making)
- Making of calculations for installation and equipment of school
- Choice and preparation of staff
- preparation activities in connection with farm model ( in progress)



#### II. Phase (March 2009)

- School installation and installation works
- Necessary equipment purchase
- Opening and beginning of activities
- Planned activities on farm model are carried out at the same time



#### III. Phase (September)

- Announcement of schooling
- Human resource and school management
- Activity evidencing
- Announcing of gained results
- Improving of educational program- feedback information
- Searching for new projects in the field of bees, assuring resources for their performance
- Marketing for school, secondary programmes and products

### 6.2 Geographic location

The school is being built in Khamron, one of the least developed regions of the province Pursat. Why Khamron? There are approximately 240 families in the range of 5 km. We can say for

everybody that they are the poorest in the state. 90% of family incomes are gained illegally which means by cutting down the protected trees and by prohibited hunting of wild animals.

The building will be placed only at 500m from rain forest. We hope that we will turn the mentality and the activities of the inhabitants into advantage of rain forest by our activities in that field. The location is placed in direct closeness of touristically interesting points along the river. I see there an opportunity while selling the products and after all the school itself will be a big touristic attraction for Cambodian inhabitants at least for some time! It is an additional possibility of income for the school.

### 6.3 Buildings and equipment

In order to carry out the activities we need a building and equipment for it. We have set a goal to build a very simple but efficient building which will be appropriate for surroundings. The building will be built in traditional Cambodian style. Equipment will be the most essential at the beginning, however enough to enable visible presentation of theory and practice.

BASIC RESOURCES		€	\$ USA	
<b>BUILDINGS</b>		<b>6250</b>	<b>9000</b>	<b>65%</b>
<b>EQUIPMENT classroom</b>		<b>1597.2</b>	<b>2300</b>	<b>17%</b>
<b>EQUIPMENT workshop</b>		<b>1740.3</b>	<b>2506</b>	<b>18%</b>
<b>BASIC RESOURCES TOTAL:</b>		<b>9587.4</b>	<b>13806</b>	<b>100%</b>

### 6.4 Strategy and plan

We want to begin with the schooling of new beekeepers and spreading bee families as soon as possible. We want to upgrade our knowledge, programmes and equipment during the years. In the next five years we want to prepare further development of the school which will contain also a small scientific laboratory for research of bees in cooperation with Faculty of Agriculture and fishing.

### 6.5 Human resource plan

We also plan to employ people in course of our activities. In the first phase the school will be directly burdened by the school leader and two beekeepers that will take care of bees, especially during monsoon season. The rest of professional staff will be assured with Slovene beekeepers. All other employments will depend on amount of work and realisation of incomes. We expect that

it will be necessary to hire and organisator/ administrator who will take care of the school and all other administratively-technical details in the period of a year or two.

We will use services of other organisations, i.e. services which we can access on the market for administration/ accounting needs.

### **6.6 Acquisition plan**

The planned acquisition of basic resources will be done until March 2009 in accordance with the preliminary estimation.

### **6.7 Logistic plan**

At the beginning the bees will be located in several locations in school vicinity. It will be necessary to move bees from one location to another for successful beekeeping. If necessary we will hire smaller vans. Successful migrations will assure enough resources for purchasing of own van in the future.

### **6.8 Legal matters, permissions and environmental issues**

We will carry out our activities in accordance with Cambodian laws. There will be no problems with acquiring of accordance of representatives of Ministry of Agriculture in Pursat judging by previous negotiations, on the contrary, our projects are welcomed.

All moves in environment will be safe for the environment. Model of small beekeeping will be placed in cut down areas. They are covered by weed and bamboo at the moment. In drought season fires devastate them additionally which increases erosion even more. By sowing cultures on that surfaces we will create a grass layer which will help preserving a quality layer of soil. Our school model will be ecologically directed witch means that we will not use chemical substances nor fertilizers or other pesticides in the wider area of our school.

## **7. MANAGEMENT, ORGANISATION AND PROPERTY**

### **7.1 Organisation and key leading staff**

There will be two beekeepers employed for undetermined period of time in the first two years. They will do the essential work for us in connection with bees and sowing of planned cultures, as well as arranging the environment. Works that are not directly connected with beekeeping farm work will be financed from other resources.

The general manager of the school will not be paid by school. His function will be managing and supervising of the planned activities in school in accordance with the plan.

In the frame of professional lectures which we intend to organise with help of experts from different fields of expertise we will search for resources from other sources, such as sponsorship of different organisations.

Lectures which will support the theoretical part of beekeeping as well as the practical part will be executed with help of human resources trained in previous years. In case of lecturers/co-operators who do not speak the Khmer language, it will be necessary to translate the lectures simultaneously.

### **7.2 Professional advisers and services**

After the presentation of the project in Slovenia to the recognised breeding organisation (RBO), Agricultural Institute of Slovenia, beekeeper Association of Slovenia and numerous societies as well as individuals in Slovenia we can say that our idea had a proper reaction. We can expect without any doubt professional support by Slovene beekeepers and organisations which work in that field. We are also connecting with beekeepers in New Zealand. At the moment all advising and managing activities are done by Tomaž Oštir as a voluntary work.

### **7.3 Other investors**

With resources from the ROTARY organisation we intend to set up and essentially equip the school. The business plan of school setup describes the period until the school will be able to finance itself.

## 8. BUSINESS ECONOMY AND FINANCIAL PLAN

### 8.1 Basic resources investment value

RESOURCES	Acquisition value of necessary investments		
			v %
<b>BASIC RESOURCES</b>	<b>€</b>	<b>\$ USA</b>	
<b>BUILDINGS</b>	<b>6250</b>	<b>9000</b>	<b>65%</b>
<i>School as wood building 8 X 15</i>	4861.11	7000	51%
El. generator + installations	694.444	1000	7%
Water pump + installations	694.444	1000	7%
<b>EQUIPMENT classroom</b>	<b>1597.2</b>	<b>2300</b>	<b>17%</b>
Computer + equipment	694.444	1000	7%
projector	208.333	300	2%
Chairs and tables	347.222	500	4%
<i>other</i>	347.222	500	4%
<b>EQUIPMENT workshop</b>	<b>1740.3</b>	<b>2506</b>	<b>18%</b>
Small circular + table	138.889	200	1%
Spabbing saw mill	45.1389	65	0.5%
Grinding machine for wood	54.1667	78	0.6%
driller	61.8056	89	0.6%
Manual electric tool for drilling, polishing and cutting	63.8889	92	0.7%
Small accessory tools (hammers, pliers...)	138.889	200	1%
Working table	34.7222	50	0.4%
grip	22.2222	32	0.2%
Other	138.889	200	1.5%
motor	1041.67	1500	10.9%
<b>BASIC RESOURCES TOTAL:</b>	<b>9587.5</b>	<b>13806</b>	<b>100%</b>

### 8.2 Fixed, variable, and half-variable expenses

I distributed expenses to:

- **Fixed expenses**, which do not vary regardless the selling amount,
- **Variable expenses**, which vary with amount of work (material expenses, fuel expenses and trip expenses) and



- **Half-variable expenses**, which have a fixed part and a variable part (gross salary of employed worker).

**Planned expenses for year 2008**

<b>FIKSNI STROŠKI</b>			
	<b>\$ USA</b>	<b>€</b>	<b>v%</b>
Expenses for electric energy	300	208.333	3%
Rental fee expenses	120	83.3333	1%
Accounting services expenses		0	0%
Other services expenses		0	0%
Other business expenses		0	0%
Bank services (transaction account, credit cards)		0	0%
Amortisation	300	208.333	3%
<b>FIXED EXPENSES TOTAL</b>	<b>720</b>	<b>500</b>	<b>8%</b>
<b>VARIABLE EXPENSES</b>			
Basic material expenses	100	69.444	1%
Auxiliary materials	100	69.444	1%
Small inventory	100	69.444	1%
Daily wages and other costs for working power	200	138.888	2%
Working contracts, hiring of working power	300	208.332	3%
Educational expenses	4000	2777.76	45%
Transportation expenses	700	486.108	8%
Representation expenses	300	208.332	3%
<b>VARIABLE EXPENSES TOTAL</b>	<b>5800</b>	<b>4027.75</b>	<b>65%</b>
<b>HALF VARIABLE EXPENSES</b>			
Gross personal incomes of employees	2400	1666.67	27%
<b>HALF VARIABLE EXPENSES TOTAL</b>	<b>2400</b>	<b>1666.67</b>	<b>27%</b>
<b>YEAR EXPENSES TOTAL</b>	<b>8920</b>	<b>6194.44</b>	<b>100%</b>

Expenses for accounting services, management, bank services and some other expenses are not taken into consideration in the first two years because the project will still be a part of Sustainable of Cambodia. 45% of expenses of the first year represent education. It is a high expense at the first sight, although all other alternatives are even more expensive. The fact is that I work with complete beginners and I expect a great deal from them in the next year.

**Planned expenses for the next year**

<b>FIXED EXPENSES</b>			
	<b>\$ USA</b>	<b>€</b>	<b>%</b>
Expenses for electric energy	400	277.778	7%
Rental fee expenses	120	83.3333	2%
Accounting services expenses		0	0%
Other services expenses		0	0%
Other business expenses		0	0%
Bank services (transaction account)		0	0%
Amortisation	300	208.333	5%
<b>FIXED EXPENSES TOTAL</b>	<b>820</b>	<b>569.444</b>	<b>15%</b>
<b>VARIABLE EXPENSES</b>			
Basic material expenses	110	76.3884	2%
Auxiliary materials	110	76.3884	2%
Small inventory	110	76.3884	2%
Daily wages and other costs for working power	220	152.777	4%
Working contracts, hiring of working power	330	229.165	6%
Educational expenses	0	0	0%
Transportation expenses	770	534.719	14%
Representation expenses	330	229.165	6%
<b>VARIABLE EXPENSES TOTAL</b>	<b>1980</b>	<b>1374.99</b>	<b>35%</b>
<b>HALF VARIABLE EXPENSES</b>			
Gross personal incomes of employees	2800	1944.44	50%
<b>HALF VARIABLE EXPENSES TOTAL</b>	<b>2800</b>	<b>1944.44</b>	<b>50%</b>
<b>EXPENSES TOTAL IN 2009</b>	<b>5600</b>	<b>3888.89</b>	<b>100%</b>

Planned expenses for 2009 as lower than for 2008. They are lower because of educational expense reduction. In case of acquiring of planned incomes in 2008 educational resources for year 2009 will be assured by the school, otherwise SC will support us.

8.3 Planned incomes 2008 – 2009

**EXPECTED INCOMES**

<b>Selling program:</b>	<b>year 2008</b>			<b>year 2009</b>			<b>year 2010</b>		
<b>a.) farm activity</b>	<b>Quantity</b>	<b>Price</b>	<b>Income</b>	<b>Quantity</b>	<b>Price</b>	<b>Income</b>	<b>Quantity</b>	<b>Price</b>	<b>income</b>
		<b>( \$ )</b>	<b>( \$ )</b>		<b>( \$ )</b>	<b>( \$ )</b>		<b>( \$ )</b>	<b>( \$ )</b>
Honey	100	10	1000	200	10	2000	1000	10	10000
Pollen			0			0			0
Propolis			0			0			0
Royal jelly			0			0			0
Beehives production	30	5	150	60	5	300	120	5	600
Bee family breeding and selling			0	20	50	1000	40	50	2000
Queen bee breeding and selling			0			0			0
Honeycomb production			0			0			0
Protective equipment	10	10	100	20	10	200	30	10	300
Other tools and equipment			0			0			0
Sunflower seed			0	5	100	500	5	100	500
Other seeds			0			0			0
Seedlings			0			0	200	1	200
			0			0			0
<b>Farm activity total:</b>		<b>\$</b>	<b>1,250.00</b>	<b>\$</b>	<b>4,000.00</b>	<b>\$</b>	<b>13,600.00</b>		
<b>b.) touristic activity</b>									
Overnight stays			0	100	2	200	200	2	400
Catering activities			0	100	2	200	200	2	400
Excursions			0	50	20	1000	100	20	2000
			0			0			0
			0			0			0
<b>Touristic activities total:</b>			<b>0</b>	<b>\$</b>	<b>1,400.00</b>	<b>\$</b>	<b>2,800.00</b>		
<b>c.) educational activity</b>			0						
lectures	100	2	200	200	2	400	300	2	600
trainings	20	2	40	40	2	80	60	2	120
<b>Educational activity total:</b>			<b>240</b>			<b>480</b>			<b>720</b>
<b>d.) research projects</b>			0			0			0
			0			0			0
<b>Research projects total:</b>			<b>0</b>			<b>0</b>			<b>0</b>
<b>Activities total:</b>		<b>\$</b>	<b>1,490.00</b>	<b>\$</b>	<b>4,480.00</b>	<b>\$</b>	<b>14,320.00</b>		

Incomes are planned with big reserves. Incomes of research projects are not included because there is no basis for their planning. There are some reserves also in touristic activity. There is a great marketing and profit possibility with every and each program if it is executed by rules. In case of postponing of deadlines of beginning of construction to later months, the planned incomes goes as well to the following season, after November 2008. Rain season can be compared with our winter practically.

#### **8.4 Project thrift limits**

Thrift limit shows me what selling (productivity) range is necessary in order to gain the zero point of business running. Regarding the calculations I can reach the economic point while selling in approximately total amount of 9000 \$ USA. It practically means that we should produce and sell approximately 1000kg of honey yearly. That number is reachable in Slovenia with 40 bee families, if we operate with average proportions, for more successful beekeepers even with less.

For the same honey quantity with autonomous bee *apis cerano* (average contribution in Sri Lanka they are approximately 10 kg per family) we would need approximately 100 families.

#### **8.5 Number of years necessary to achieve positive financial state**

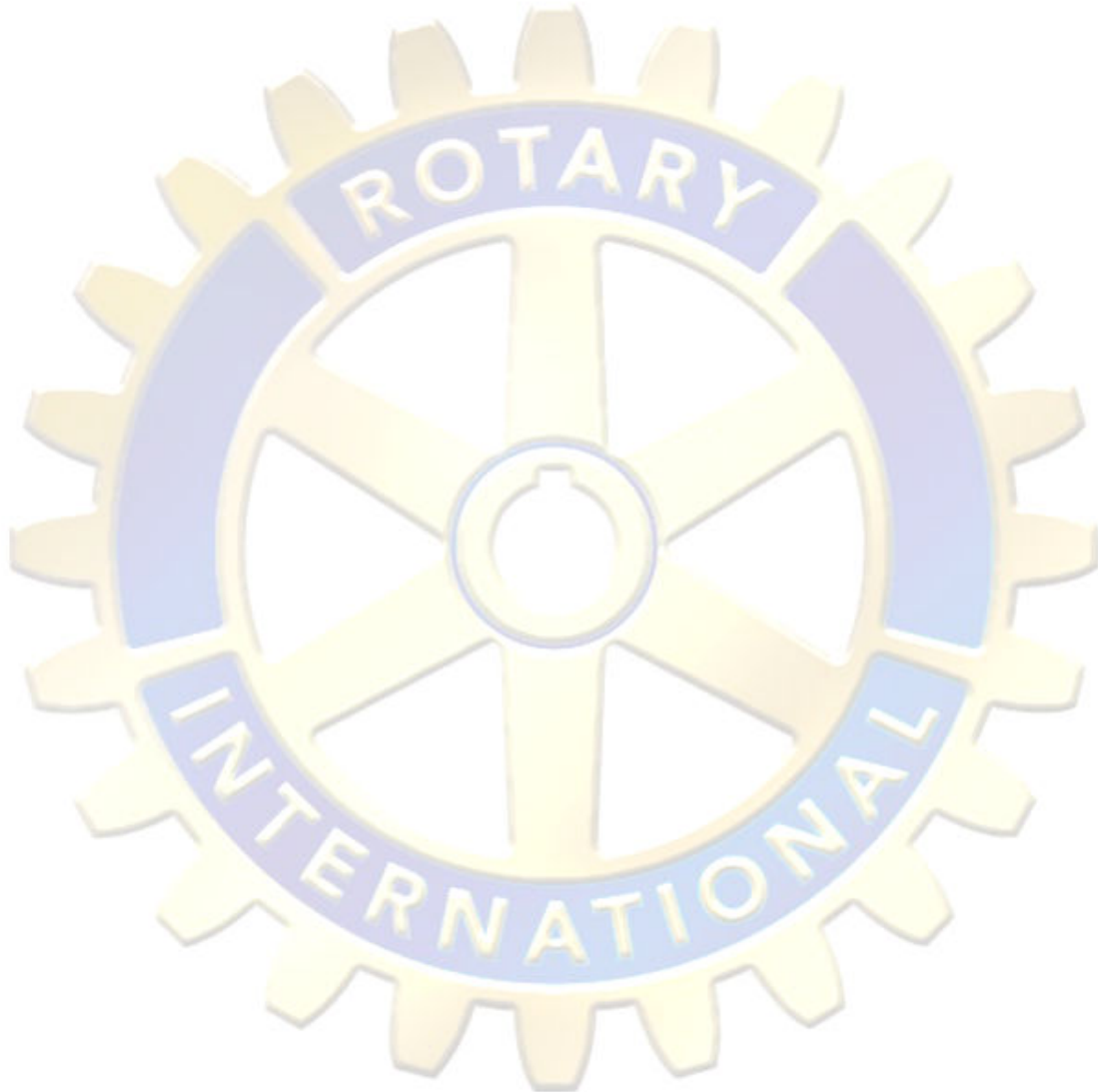
According to the calculations we will be capable of running the business without other's help and have the first profit in the third year.

#### **8.6 Other indicators of business success**

The success of school will be shown also in the growing visits, i.e. applications for the essential education, as well as for additional education in particular fields later. The success indicator will also be spreading to other working fields of activity and new employments.

## **9. CRITICAL RISKS AND PROBLEMS**

Critical point of the project will come after the Slovene bee comes. At that moment there must be a beekeeper that I would work with for more than two years enough trained to rule the situation. That means that he can take care of bees independently. In order to bridge that critical point we will gain resources from other financial resources which will assure constant presence of beekeeper – care giver, which would have enough experience.



## 10. TIME TABLE PLAN

We underlined the basic borders in time table plan which have critical significance for success of project realisation.

### **Project formalisation (1.10.2008)**

- carrying out of all procedures for
- Society foundation (Pursat, Khamron)
- Foundation of Cambodian beekeeper association
- School program preparation

### **Preparation works (01. 02. 2009)**

- School construction
- School equipping
- Workshop equipping

### **Income of the first pupils in school (**

- School construction
- School equipping
- Workshop equipping
- searching for the appropriate technology for working with apis cerano

### **Income from apis mellifera carnica**

## 11. PREDICTED GUARANTEE OD RESOURCES FOR PROJECT EXECUTION

### 11.1 Necessary investments for project beginning

Investment necessary for project initiation is 10,000.00€ for essential sources and approximately 10,000.00€ for the first two years. We already have one part of resources, above all in form of managing staff and administration assured by SC.

### 11.2 Financial resources

For undisturbed beginning of work we should find financial resources.

FINANCIAL RESOURCES	VALUE IN EUR	
<b>PROPER RESOURCES</b>	<b>2580</b>	
Basic capital	80	
Basic resources (already existing, beehives, bees)	2500	
	0	
<b>LOAN</b>	<b>0</b>	
Domestic bank loans	0	
Foreign bank loans	0	
Other loans	0	
<b>OTHER RESOURCES</b>		
Rotary club Velenje	20000	
Sustancible of Cambodia (management, administration)	2000	
Other	0	
<b>TOTAL</b>	<b>24.580</b>	

I will use resources gained by Rotary club Velenje exclusively for Slovene school construction and for its successful initiation. All other resources, gained from other parts, will be designated for gradual execution of 5 year planned program of Cambodian bee 2008 - 2013.

## **12. APPENDIX**

### **WHY SLOVENE BEEKEEPING SCHOOL IN CAMBODIA**

In the past three year I had opportunity to work with different species of apis melifera. I have been working for three months with Italian bee in New Zealand, we also have Italian bee in Cambodia which is not far similar to Italian bee, too dark, and most of drones are black. We also have a family from China in the past three months. They sold it as mixture of Italian, Caucasian and our apis mellifera carnica. On the basis of conversation with people who had opportunity to work with the above mentioned species of bees, and off course on the basis of my own experiences with apis mellifera carnica and other species, I think that our apis mellifera carnica is one of the best in the world. I received really supportive letter from Mr. Dayke from New Zealand who works with our apis mellifera carnica fro more than three years very successfully. He is more than impressed by results; contributions and serenity are really incomparable to Italian bee. One of his pupils ahs cousins in China and after his visit he also brought supportive news – the bee is very spread in China as well and it is being considered as bee species with the most contribution. In China they also use crossed breed malifera bees depending on what kind of product they are interested in. According to information I got from Mr. Brane Kozinc, a breeder of queen bees in Zelenica, queen bees from Zelenica have already travelled to all continents.

Currently we have a good pasture for Cambodian circumstances (December) and families with Chinese queen bee has a kilo or two advantage before the Thai family.