

Peanut Project Financing



Current Financier: George Otieno MUGA MSc, CHAINS OF WORK Austria
Entrepreneur: Joshua ONYANGO , Project Coordinator - COW Project CBO

1. Overview

Business Name	COW Project Peanut Butter
Sector	Community-Based Organization (Food & Beverages)
Business Location	Rongo - Kisii Road (Kasimba Area) Post Office Box 135 - 40222 Oyugis, Kenya
Geolocation	-0.5253575, 34.7286674
Financial goal	To improve the existing peanut production business

2. Project Business Description

Since 2021, CHAINS OF WORK Austria supports COW Project, a community-based organization founded exclusively for life-long socio-economic welfare and overall agro-economic development of the rural inhabitants of Homabay County and its adjacent environs. The project's mission is to simulate collective investment and community involvement in removing barriers to better health, environment, wealth creation, food security and youth employment.

COW project responds to food-insecurity situations affecting the project area through partnerships, lessons and success stories from other communities. To reverse food insecurity trends, the project has initiated a peanut-butter production facility in Oyugis (Kenya), operated by the local community. Local materials are used for the production process wherever possible. The Community Organisation relies on proceeds from peanut-butter sales to expand its programs and sustain the smallholder farming industry.

3. Business Indicators

Average monthly income	€600
No. of direct employees	16
No. of female employees	10

4. The Project

Project Name	Expansion - Peanut Butter Production
Planned Project Duration	16.01.2023 - 30.06.2023

4.1 Peanut Butter Project Objectives

1. To establish a presence as a successful local peanut butter manufacturing firm and gain market share in the peanut butter industry.
2. To create jobs as it expands its operations with smallholders (local peanut growers)
3. To achieve a first year revenue of above KShs. 500,000
4. To produce peanut butter of superior quality and taste
5. To develop a sustainable community project, surviving off its own cash flow with less dependency on donations and grants.

4.2 Social & Business Impacts

- At least 75 smallholder families (mostly women) and youth will benefit directly through increased levels of income by selling their peanut harvests directly to the project
- The project uses machines with no fuel-powered engines for production. Workflow processes like sorting and grading are done manually by hand. The same applies to labeling & filling of jars
- Plant wastes like peanut straws are used as animal feeds. Industrial wastes (“bad nuts”) offer alternative feeds to chicken
- Manufacturing locally is an evolving strategy of the project. It will promote local jobs
- Peanut varieties used are grown organically. It requires less water, no fertilizer or pesticides thereby reducing carbon prints to the environment.

4.3 Direct Job Creation

- **10 sales representatives** - who’s mainly involved in promotion of the peanut products
- **1 Project Manager** - who monitors peanut farming activities and good production
- **1 Accountant** - who prepares, examines and analyzes accounting records, financial statements, and other day-to-day cash flow decisions
- **4 Production workers** - responsible for the actual production operations of the peanut butter and all shop-floor processes

5. Investment Plan

	Amount	Frequency	COW Project’s own Contribution
Operational requirements (Staff & Volunteers, Marketing, Manufacturing operations, Machine Service & Maintenance, Storage & Shipping fees)	€1.000	Monthly	€1.000
Machinery & Equipment (Grinder, Filling Machine) (Packaging Jars, Peanut Labels) (Sheller, Roaster, Decorticator)	€3.484 €1.200 €2.150	One-time As needed One-time	€2.140
Manufacturing Premise (Lease) (Incl. Water, Electricity)	€500	Monthly	€500
Capital to purchase groundnuts from farmers	2.000	As needed	€1.000
TOTAL	€10.334		€4.640
FINANCING REQUIRED	€6.694		