

## APPENDIX 2A

### Chicken Farm Out-Grower Model Pro-forma Income Statement of a Single Satellite Farm Operation (Mtn)

	Min Scenario		Med Scenario		Max Scenario	
	month 1	year 1	month 1	year 1	month 1	year 1
Number of Units (per 40-day cycle)	500		1,000		1,500	
Revenue (1)	24,714	296,563	49,427	593,125	74,141	889,688
Variable Costs (2), (7)	17,109	205,313	34,219	410,625	51,328	615,938
Contribution Margin (Gross Profit)	7,604	91,250	15,208	182,500	22,813	273,750
Interest on Operating Loan (3)	1,350	12,750	2,700	25,499	4,050	38,249
Invested Capital	941	10,055	1,882	20,109	2,685	30,164
Capital Loan Repayment (4)	0	0	0	0	0	0
<b>Net Income</b>	<b>5,313</b>	<b>68,446</b>	<b>10,626</b>	<b>136,891</b>	<b>16,078</b>	<b>205,337</b>
<b>Profit Sharing (5)</b>						
Technical expert	1,328	17,111	2,657	34,223	4,019	51,334
Each local partner	1,328	17,111	2,657	34,223	4,019	51,334
<b>Profit Sharing (US\$) (6)</b>						
Technical expert	49	633	98	1,266	149	1,899
Each local partner	49	633	98	1,266	149	1,899

#### Notes

- (1) Assumes revenue per unit per cycle of **65** Mtn  
(2) Assumes variable costs per unit per cycle of **45** Mtn  
(3) Assumes that loan amount is equal to variable costs per cycle, payable at monthly rate of **6.0%**  
(4) Capital repayment TBD. Assumed at zero (see discussion in body of report)  
(5) Profit sharing percentages: Technical: **25%** Local Partner (3 @): **25%**  
(6) Assumes US\$1 = **27.03** Mtn  
(7) Assumes no economies of scale as additional units are added  
(5) Assumes cycles per year:  $365 / 40 =$  **9.125** ; cycles / month:  $365 / 40 / 12 =$  **0.760417**

\*\* Note: Cost and revenue figures provided by proposed technical experts and verified by World Relief.

APPENDIX 2B

Chicken Farm Out-Grower Model  
Schedule of Invested Capital and Interest Payments (Mtn)

Units per cycle Invested per cycle	Minimum Scenario									Medium Scenario									Maximum Scenario									
	500 1,238									1,000 2,475									1,500 3,713									
	Req Capital	Invested (Cumulative)	Borrowed	Interest Per Cycle	Revenue	Total Profit	Per Partner			Req Capital	Invested (Cumulative)	Borrowed	Interest Per Cycle	Revenue	Total Profit	Per Partner			Req Capital	Invested Cumulative	Borrowed	Interest Per Cycle	Revenue	Total Profit	Per Partner			
Gross Profit							Invested/ Cycle	Cash/ Cycle	Gross Profit							Invested/ Cycle	Cash/ Cycle	Gross Profit							Invested/ Cycle	Cash/ Cycle		
Cycle 1	22,500	0	22,500	1,800	32,500	8,200	2,050	309	1,741	45,000	0	45,000	3,600	65,000	16,400	4,100	619	3,481	67,500	0	67,500	5,400	97,500	24,600	6,150	928	5,222	
Cycle 2	22,500	1,238	21,263	1,701	32,500	8,299	2,075	309	1,765	45,000	2,475	42,525	3,402	65,000	16,598	4,150	619	3,531	67,500	3,713	63,788	5,103	97,500	24,897	6,224	928	5,296	
Cycle 3	22,500	2,475	20,025	1,602	32,500	8,398	2,100	309	1,790	45,000	4,950	40,050	3,204	65,000	16,796	4,199	619	3,580	67,500	7,425	60,075	4,806	97,500	25,194	6,299	928	5,370	
Cycle 4	22,500	3,713	18,788	1,503	32,500	8,497	2,124	309	1,815	45,000	7,425	37,575	3,006	65,000	16,994	4,249	619	3,630	67,500	11,138	56,363	4,509	97,500	25,491	6,373	928	5,445	
Cycle 5	22,500	4,950	17,550	1,404	32,500	8,596	2,149	309	1,840	45,000	9,900	35,100	2,808	65,000	17,192	4,298	619	3,679	67,500	14,850	52,650	4,212	97,500	25,788	6,447	928	5,519	
Cycle 6	22,500	6,188	16,313	1,305	32,500	8,695	2,174	309	1,864	45,000	12,375	32,625	2,610	65,000	17,390	4,348	619	3,729	67,500	18,563	48,938	3,915	97,500	26,085	6,521	928	5,593	
Cycle 7	22,500	7,425	15,075	1,206	32,500	8,794	2,199	309	1,889	45,000	14,850	30,150	2,412	65,000	17,588	4,397	619	3,778	67,500	22,275	45,225	3,618	97,500	26,382	6,596	928	5,667	
Cycle 8	22,500	8,663	13,838	1,107	32,500	8,893	2,223	309	1,914	45,000	17,325	27,675	2,214	65,000	17,786	4,447	619	3,828	67,500	25,988	41,513	3,321	97,500	26,679	6,670	928	5,742	
Cycle 9	22,500	9,900	12,600	1,008	32,500	8,992	2,248	309	1,939	45,000	19,800	25,200	2,016	65,000	17,984	4,496	619	3,877	67,500	29,700	37,800	3,024	97,500	26,976	6,744	928	5,816	
Cycle 10	22,500	11,138	11,363	909	32,500	9,091	2,273	309	1,963	45,000	22,275	22,725	1,818	65,000	18,182	4,546	619	3,927	67,500	33,413	34,088	2,727	97,500	27,273	6,818	928	5,890	
Cycle 11	22,500	12,375	10,125	810	32,500	9,190	2,298	309	1,988	45,000	24,750	20,250	1,620	65,000	18,380	4,595	619	3,976	67,500	37,125	30,375	2,430	97,500	27,570	6,893	928	5,964	
Cycle 12	22,500	13,613	8,888	711	32,500	9,289	2,322	309	2,013	45,000	27,225	17,775	1,422	65,000	18,578	4,645	619	4,026	67,500	40,838	26,663	2,133	97,500	27,867	6,967	928	6,039	
Cycle 13	22,500	14,850	7,650	612	32,500	9,388	2,347	309	2,038	45,000	29,700	15,300	1,224	65,000	18,776	4,694	619	4,075	67,500	44,550	22,950	1,836	97,500	28,164	7,041	928	6,113	
Cycle 14	22,500	16,088	6,413	513	32,500	9,487	2,372	309	2,062	45,000	32,175	12,825	1,026	65,000	18,974	4,744	619	4,125	67,500	48,263	19,238	1,539	97,500	28,461	7,115	928	6,187	
Cycle 15	22,500	17,325	5,175	414	32,500	9,586	2,397	309	2,087	45,000	34,650	10,350	828	65,000	19,172	4,793	619	4,174	67,500	51,975	15,525	1,242	97,500	28,758	7,190	928	6,261	
Cycle 16	22,500	18,563	3,938	315	32,500	9,685	2,421	309	2,112	45,000	37,125	7,875	630	65,000	19,370	4,843	619	4,224	67,500	55,688	11,813	945	97,500	29,055	7,264	928	6,336	
Cycle 17	22,500	19,800	2,700	216	32,500	9,784	2,446	309	2,137	45,000	39,600	5,400	432	65,000	19,568	4,892	619	4,273	67,500	59,400	8,100	648	97,500	29,352	7,338	928	6,410	
Cycle 18	22,500	21,038	1,463	117	32,500	9,883	2,471	309	2,161	45,000	42,075	2,925	234	65,000	19,766	4,942	619	4,323	67,500	63,113	4,388	351	97,500	29,649	7,412	928	6,484	
Cycle 19	22,500	22,275	225	18	32,500	9,982	2,496	309	2,186	45,000	44,550	450	36	65,000	19,964	4,991	619	4,372	67,500	66,825	675	54	97,500	29,946	7,487	928	6,558	
Cycle 20	22,500	22,500	0	-	32,500	10,000	2,500	309	2,191	45,000	45,000	0	-	65,000	20,000	5,000	619	4,381	67,500	67,500	0	-	97,500	30,000	7,500	928	6,572	
<b>Annual Results (5)</b>																												
First Year	205,313	10,055	159,370	12,750	296,563	78,500	19,625	2,823	16,802	410,625	20,109	318,741	25,499	593,125	157,001	39,250	5,646	33,604	615,938	30,164	478,111	38,249	889,688	235,501	58,875	8,469	50,406	
Second Year	205,313	21,347	56,348	4,508	296,563	86,742	21,686	2,823	18,862	410,625	42,694	112,697	9,016	593,125	173,484	43,371	5,646	37,725	615,938	64,041	169,045	13,524	889,688	260,226	65,057	8,469	56,587	
<b>Annual Results (US\$) (6)</b>																												
First Year	7,596	372	5,896	472	10,972	2,904	726	104	622	15,191	744	11,792	943	21,943	5,808	1,452	209	1,243	22,787	1,116	17,688	1,415	32,915	8,713	2,178	313	1,865	
Second Year	7,596	790	2,085	167	10,972	3,209	802	104	698	15,191	1,579	4,169	334	21,943	6,418	1,605	209	1,396	22,787	2,369	6,254	500	32,915	9,627	2,407	313	2,094	

- Notes**  
(1) Assumes revenue per unit per cycle of **65** Mtn  
(2) Assumes variable costs per unit per cycle of **45** Mtn  
(3) Assumes that loan amount is equal to variable costs per cycle, payable at monthly rate of **6.0%**  
(4) Profit sharing percentages: Technical: **25%** Local Partner (3 @): **25%**  
(5) Assumes cycles per year: 365 / 40 = **9.125** ; cycles per month: 365 / 40 / 12 = **0.76041667**  
(6) Assumes US\$1 **27.03** Mtn

\*\* Note: Cost and revenue figures provided by proposed technical experts and verified by World Relief.