

Budget Narrative Sample

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Akila Bay Coffee Association

Reference	Category	Cost (MWK)
A.	INFRASTRUCTURE	
A.1	Pulperies Houses Funds will be used to construct houses for the new CPUs. The Co-op will provide bricks, sand, and quarry stone as their contribution. The contractor will be paid MWK500,000 per house built (MWK500,000 x 4 houses). Quotations provided by Building Contractors are attached. Also, the office building will be electrified at a cost of MWK200,000	2,200,000
B.	EQUIPMENT	
B.1	Vehicles The funds will be used to buy a five ton truck to deliver parchment to the processing plant at the Union Offices in Mzuzu. The truck will also assist in the local movement of cherry and fertilizers and other farm inputs. The truck will also be used for income generation when it is not doing coffee work.	3,600,000
B.2	Coffee Equipment <i>Scales-</i> The Co-operative will need to acquire 9 weighing scales @ MWK 20,000 each for weighing coffee at each of the CPU sites. <i>Moisture Meters-</i> In addition, the farmers will also need one moisture meter for measuring the moisture of the Coffee.	390,000 180,000 210,000
B.3	Coffee Processing Units 4 new CPUs will be purchased to enhance efficiency and therefore improve the quality of coffee. Each CPU is estimated to cost MWK 1,901,250 including shipping and installation. Quotations from suppliers in Brazil and Colombia are attached. Penagos from Colombia have been selected.	7,605,000
C.	WORKING CAPITAL	
C.1	Inputs Revolving Fund The funds being requested will increase the credit fund to enable more farmers to buy fertilizer and chemicals for their coffee bushes. The amount requested is an estimate based on the current price of fertilizer, various chemicals, and the number of farmers: Fertilizer: 2500 bags J.Compound @ MWK4555.20/bag Pesticide 90liters @ MWK15000/liter Herbicide 1600 liters @ MWK1800/liter	15,618,000 11,388,000 1,350,000 2,880,000
C.2	Farmer Seeds and Tools New members of the co-op need coffee seed and farm tools. Also, some old members need the improved variety of coffee seed to replace their old low-yielding type. Supply of seed and tools is as follows: Coffee seed 400kg @ MWK850/kg Sprayers 200 @ MWK6000	1,540,000 340,000 1,200,000

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D.	TRAINING		
D.1	Governance Training		451,000
	The current board was elected in 2008 and members have not attended any training in good governance. The amount being requested will be used to train the Board members in cooperative governance to strengthen their skills in running the organization.		
	Trainer's fees MWK43500/day X 3 days	131,000	
	Travel MWK4000/day x 3 days	12,000	
	Trainees' Accommodation MWK6500 x 9pp x 4 days	234,000	
	Meals and Refreshments MWK1945x 9pp x 3 days	53,000	
	Supplies	21,000	
D.2	ADF Required Training		310,000
	USADF will train key staff members of Akila Bay co-operative in financial management and reporting procedures for 4 days. USADF will also provide training in monitoring and evaluation.		
	Venue MWK10000 x 4 days	40,000	
	Accommodation MWK7500 x 5pp x 5 days	187,500	
	Meals MWK2000 x 5pp x 5 days	50,000	
	Supplies	20,000	
	Travel	12,500	
D.3	Financial Training		2,400,000
	The cooperative will engage a consultant to train staff in Pastel Accounting software and in microcredit management. A licensed Pastel package will need to be bought from a reputable dealer at an estimated price of MWK 800,000, as well as training for an estimated MWK250,000.		
	Cost of software	800,000	
	Pastel Training	250,000	
	Microcredit training	350,000	
	RLF- Software	1,000,000	
E.	ADMINISTRATIVE SUPPORT		
E.1	Salaries		600,000
	<i>Stores Associate-</i> The Co-operative will employ a Stores Associate for 12 months at MWK25000/mo. ADF will support them for one year only and thereafter the Co-operative will take responsibility.	300,000	
	<i>Credit Associate-</i> The Co-operative will employ a Credit Associate for 12 months at MWK25000/mo. ADF will support them for one year only and thereafter the Co-operative will take responsibility.	300,000	
E.2	Office Equipment		372,000
	Akila Bay Co-operative depends on the Union office in Mzuzu for all its IT services at present. It will need to buy two computers, a printer, and a copier to process its own work, including accounting, microcredit and loan tracking.		
	<i>Internet-</i> Internet connectivity-CDMA modem plus installation and monthly charges; speed 230.4kbps	72,000	
	<i>Computers -</i> Acer Aspire Desktop Computers (MWK140,000 x 2), 2 Intel Core 2 Duo 2GHZ clock speed, 1GB RAM, 160GB Hard Disk, 17'' flat screen Monitor, DVD RW Optical Drive, 15-in SD Card Reader, Keyboard, Mouse and Pad, Licensed Windows XP Professional	280,000	
	<i>Printer-</i> HP Laser Printer	20,000	
	GRAND TOTAL		35,086,000
	<i>Estimated exchange rate used for calculation purposes only USD 1 = MWK</i>	145.00	