

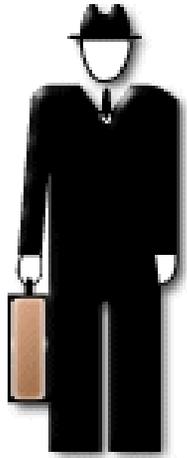


*In cooperation with
brings you the*



**Dairy Cow Investment
Opportunity**

The Dairy Cow Investment Opportunity



Investor:

- will buy or provide funds to buy 2 pregnant cows

**2 pregnant cows
@ P35,000**



Total Investment = P70,000

Farmer:



-will provide food and shelter and care for the 2 cows and their offsprings



-will milk the cows and sell the milk



-will keep a daily record on the status of the herd, milk produced, sales of milk and calf, health record, etc.



-will ensure proper tagging of the herd to identify which stocks belong to the investor

Administrator



-will buy all the milk produced under the Dairy Cow Investment Opportunity

-will withhold the portion of milk sales allocable to the investor and deposit the same to the investor's account

-will make available its bull stock for the impregnation of the investor's cows

-will extend technical assistance to the farmer to ensure proper milking hygiene and quality of the milk

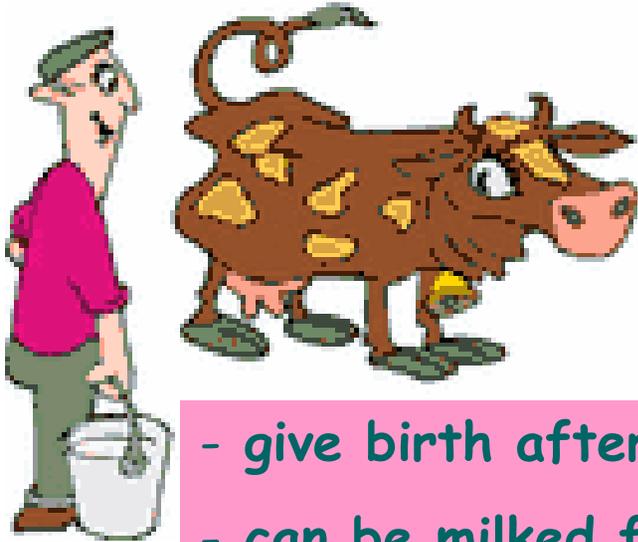
-will render periodic reports to ERCOF on milk sales under this scheme and the corresponding deposits made to the investor's account



-will submit monthly reports to the investor on the status of their herd

-will submit monthly reports to the investor on the deposits made to their respective account for milk and calf sales

-will act as a liaison between the farmer and the investor for any instructions the investor may have in connection with his herd



Cows

- give birth after 9 months
- can be milked for 300 days
- give milk after giving birth,
- may be impregnated 2 months after giving birth
- can produce milk from 15 to 20 years
- produce milk as follows:

1 st calving	-	4 liters/day
2 nd calving	-	7 liters/day
3 rd calving	-	10 liters/day



Calves

- need approximately 150 liters of its mother's milk during 1st 4 months
- can only be weaned from its mother after about 4 months
- can start to be impregnated 18 months from birth
- may be sold at the following current prices:
 - at birth - P 7,000
 - 1 year old - P15,000
 - 2 years old - P25,000
 - 3 years old - P35,000

Dairy Cow Investment Opportunity

Calf Sharing Scheme

Investor

1st offspring

3rd offspring

5th offspring

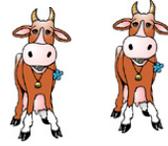
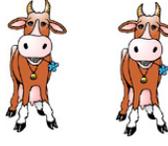
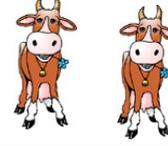
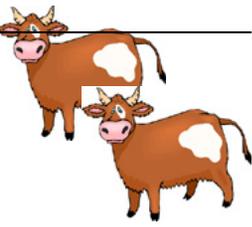
Farmer

2nd offspring

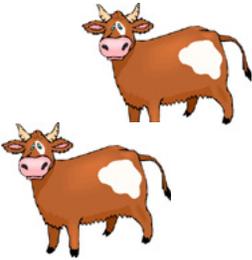
4th offspring

6th offspring

Calf Sharing Scheme

Year	0	1	2	3	4	5	6
Initial purchase							
Calf							
Yearling							
Heifer							
Pregnant							
Milking							

Investor's Own Stocks

Year	0	1	2	3	4	5	6
Milking							
Calf							
Yearling							

At the end of 6 years . . .

Investor

14 HEADS

2 Pregnant cows
originally purchased

2 milking/pregnant
1 yearling
1 heifer
4 calf

4 sold

Farmer

7 HEADS

2 milking
1 calf
1 heifer

3 sold

The Investor

- may, with the consent of, and with separate arrangements made with the farmer,

- opt to retain the male off-springs

- opt to use the proceeds of the sale of the male off-springs to buy a female yearling

During that same 6 years . . .

A total of 42,600 liters of milk will be produced, to be shared as follows:



	Liters	Amount
Investor	12,780	P230,040
Farmer	17,040	306,720
ERCOF	4,260	76,680
Administrator	8,520	153,360
Total	42,600	P766,800



When you return home after 6 years

Cash in Bank

From Milk Sales	P230,040
From Calf Sales	60,000
Total	P290,040

10 cows

Value of Herd

2 Pregnant @P35T		P 70,000
2 Pregnant @35T	P70,000	
4 calf @P7T	28,000	
1 Yearling @P15T	15,000	
1 Heifer @P25T	<u>25,000</u>	<u>P138,000</u>
Total		P208,000

Return on Investment

versus

Bank Interest Rate

Year 0	20%
Year 1	44%
Year 2	64%
Year 3	81%
Year 4	104%
Year 5	133%
Year 6	170%
Total	447%



8% per year

Payback Period

2.4 YEARS



What are the risks involved?

- death (heifer, yearling and/or calf)
- death of farmer
- investor and farmer disagreement
- cow gives less milk than projected
- cow cannot conceive or delayed pregnancy
- injury to animals
- pilferage/theft
- farmer's inefficiency

Other Concerns

- Depository bank
- veterinarian
- 3rd party inspection
- Can I stop the arrangement anytime?
- What is the cost of doing this?
- Can I give instructions directly to the farmer
- Can my relative be the farmer?
- Am I limited to Nueva Ecija?
- High insurance cost