

A large, faint watermark of the NFML logo is centered on the page. It consists of a circle containing a green triangle pointing upwards, with the letters 'NFML' written in a light grey font below the triangle.

**GUIDELINES FOR BUSINESS**  
**PLAN DEVELOPMENT OF**  
**FERTILIZER BUSINESS AS AN**  
**NFML AGENCY HOLDER**

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## **GUIDELINES FOR BUSINESS PLAN DEVELOPMENT OF FERTILIZER BUSINESS AS AN NFML AGENCY HOLDER**

To start a business as an NFML agency holder is an ideal opportunity to follow the dream of economic self reliance as a successful entrepreneur. The economic support provided in form of “Prime Minister’s Youth Business Loan” can serve as a plausible financial strength to successfully launch an entrepreneurial career in fertilizer sector.

### **Introduction of NFML-Your Partner in Entrepreneurial Venture:**

NFML is a public limited company working under Ministry of Industries & Production, Government of Pakistan. NFML commenced the challenging task of distribution of Imported Urea to the farming community as per its revised role in 2008 after privatization of all fertilizer manufacturing units of National Fertilizer Corporation of Pakistan (NFC). The entire marketing and distribution operation of NFML is carried out by lifting Urea being imported by TCP (Trading Corporation of Pakistan) from Gwadar, Karachi and Bin Qasim Ports. This Imported Urea is then distributed to the provinces as per their share through countrywide network of bulk and satellite stores from where this Urea is provided to the farming community through the authorized dealers.

### **Marketing Requirements:**

Marketing of fertilizer agency does not require upscale activities. Proprietor can rely on personal meetings with progressive farmers along with distribution of promotional single page pamphlets. That will help him not only to stimulate the sales in initial phase but also to establish buzz in local fertilizer market. Informal contacts have always been instrumental in fertilizer business.

### **Human Resource Requirements:**

Fertilizer business, particularly at early growth stage does not require much of human resource / labour. Proprietor himself along with help of any angel partner (relative / brother etc) or part time labour can easily manage the affairs of business.

### **Business Operations:**

Operations are relatively simple. As per sales policy, quota is offered to each and every dealer of NFML. Dealer can get his / her quota booked against secured financial

instruments (Demand Draft). Once the quota is booked, same can be uplifted from designated NFML Store within reasonable lead time. Labour for loading on agency holder's arranged carrier is loaded by labour deputed at NFML Stores. Transport carriers/ labour for unloading at Proprietor's facility can be easily hired from neighborhood of stores or local grain market. Due care should be taken while stacking the product as irregular stacking can lead to caking of the product and product is also vulnerable to moisture / dampness that can affect both quality and volume of the product.

### **Infrastructure Requirements:**

Any shop / godown located at prominent place (proximity to local grain market is an advantage) with storage capacity of around 100 M.Tons is feasible to start the business.

### **Financial Feasibility of the Business:**

Initial Requirement of Rs. 2000000/- is sufficient to start business as an NFML Agency Holder. Projected financial feasibility of the business for first six months is **available to download from News on NFML Website [www.nfml.com.pk](http://www.nfml.com.pk)**. Expenditures in the first month including deposition of initial security of Rs. 300,175/- (Rs. 300,000/-refundable, Rs 175/- processing fees) monthly booking of 900 bags amounting Rs.1607400/- (900\*1786) and other operational expenses of around Rs.11,000/- will result in expected revenues of Rs. 1651500/- yielding a profit of Rs. 44,100/-.

**Further to determine the financial feasibility tools like NPV (Net present value) can be used by working out expected returns and interest payments in first few years.**

### **Regulations:**

Clauses of Dealership Agreement (available on demand) determine the rights and duties of both the company and agency holder. Compliance to instructions and policy guidelines of concerned Agriculture Department offices is also mandatory. Malpractices which include but not restricted to hoarding, black marketing, over pricing and operations as ghost agency will not only entail strict disciplinary action(s) such as cancellation of agency, but it will also lead to legal action against these defaulters.

**Growth opportunities:**

Business at later evolutionary phase of growth also serves opportunities by entering in following related diversification avenues:

- I. Insecticides / Pesticides
- II. Seeds
- III. Organic / Bio Fertilizers

