

Vacancy for cost breakdown analysis of tea

**Calculate the real cost prices and prepare a realistic business plan with
Tinjure Tea Cooperative**

Ref. nr. (mission 7763)

Who are we looking for?

We look for a pragmatic, realistic and adventurous business economist, experienced in practical cost price calculation of fresh tea and processed tea. Affinity with small farmers cooperatives and the tea market/supply chain (or a comparable commodity) is an advantage. A flexible attitude, willingness to work under simple field conditions and a creative mind are indispensable.

Context

Tinjure Tea Cooperative is a cooperative of 214 small tea farmers in East Nepal and member of Central Tea Cooperative Federation (CTCF). A successful company Assessment of Tinjure Tea Cooperative was conducted in September 2016 Maas International, Agriterra, and the (CTCF). A business case was developed to export packaged tea to the Netherlands. MAAS International is committed to include this tea as a premium tea in its assortment. Maas will also support the cooperative in inclusive business development with a focus on adding value at the cooperative level; support in international certification; creating an interesting business case for women and contributing to a positive image of Nepal tea in Europe.

Both for CTCF and Tinjure the practice of exporting tea abroad is rather new and there is limited capacity within the organizations to manage this process accordingly. Therefore, the parties involved agreed to conduct a cost breakdown analysis and develop a small business plan under the support of an advisor of Agriterra and an Agripooler.



Country
Nepal

Period
From 3 December till 10 December 2016

Deadline
November 5, 2016

Number of experts we need
1

Contact:

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The assignment

A key challenge for Tinjure is to set a competitive price for their tea. Currently Tinjure has a rather unclear pricing strategy for buying the tea from the members. Farmers receive a standard price of 250 NPR per kg for high quality one-leaf -and-a-bud and 60 NPR per kg for all other tea. To set the sales price, Tinjure simply looks at the current prevailing market price. To decide on the type of tea to produce, Tinjure looks at the market demand. However Tinjure is not aware of the costs involved in operationalizing the cooperative and its tea factory and producing the tea itself.



This assignment focusses on two main actors:

Tinjure Tea Cooperative: estimating the fixed and variable costs involved in the operation and bringing this together in a logic cost-breakdown overview that helps the cooperative in (re)setting the maximum price for which it can buy the fresh tea leaves from the members and the minimum price for which it can sell the different types of tea and with different packaging styles on the market. Based on this a small business plan for Tinjure will be prepared, that is solely focussing on the sales activities with MAAS.

CTCF: being a service provider in making and realising such business deals, the various marketing modalities for CTCF will be assessed and a cost-break down on the activities involved in exporting the tea of members will be developed. The mission will advise CTCF on the minimum service fee amount or profit margin amount.

Specific objectives:

- To identify the key fixed and variable costs made by Tinjure in producing various kinds of tea.
- To calculate the costs of (hand-made) packaging by the women of Tinjure Cooperative according to the desired standard of MAAS
- Based on the cost breakdown calculations advice Tinjure on the maximum buying price for fresh tea leaves and the minimum break-even price for selling various tea products.
- Develop a small business plan for Tinjure based on the Maas-Tinjure business case.
- Assess the various marketing modalities for CTCF and develop a cost-break down on the activities involved in exporting the tea of members.
- Advice CTCF on the minimum service fee amount or profit margin amount

	Profile
Knowledge	Business administration, accountancy
Experience	Cost price calculations, participatory approach
Competences	Flexible, analytical, adventurous, pragmatic Cultural sensitivity
Language level	English on medium proficiency level