

## **EXECUTIVE SUMMARY**

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Indonesia is known as an agricultural country that produces lots of food commodities. One major commodity that Indonesia produces is soybean, which is the raw material for various kinds of Indonesian people's favorite foods like: tempe, tofu, soymilk, soy sauce, tauco and animal feed. Therefore the demand for soybean in Indonesia is very high (2,2 million ton per year). Currently, in order to fulfill those demand that could not be fulfilled by local farmers' production (600 thousands ton per year), Indonesia's Government still depends on import (1,2 million ton per year). This policy is just a temporary solution that actually could not solve the lack of local soybean's supply.

PT. MKT as an Indonesia company wants to develop the potential of soybean cultivation in Indonesia, especially in Cianjur region, in order to give solution regarding the lack of local soybean's supply. The technology that PT. MKT has, which is using a Rhizobium that is injected to the soybean seeds that could increase the soybean harvest yield around 70% - 100% of average harvest yield in Indonesia. Higher harvest yield could reduce the production cost by reducing the investment for leasing the fields, so could compete with imported soybean because of having a bigger probability to have thicker profit margin. PT. MKT also using dryer machine to prolong the durability of the soybean so it has the same durability with the imported soybean. The brand of soybean that is produced by PT.MKT is called cap "**JELITA**".

PT. MKT target market is the producer tempe and tofu which consume 88% of national soybean. The distribution channels that will be used by PT.MKT are KOPTI (Koperasi Pengrajin Tahu Tempe Indonesia) and PT.MKT sales office. PT.MKT's sales people are dedicated to deliver the best services to the distribution channels or account and also to the customer through personal selling.

The financial projection of PT.MKT for the next nine years indicates an NPV of 2,64 billions of rupiah with payback period of 7,4 years (for most-likely scenario). These result in IRR of 19,8%, which is higher than the required cost of capital at 16,9%. Starting from the fourth year, once PT.MKT has been able to generate net profit and score a positive FCFF, dividend will start being distributed to the shareholders with the amounts of 10%-40% from the net profit (gradual increase of 10% per year, up to 40% maximum). On top of that, PT.MKT also allocate 0,8% of their net income for the CSR program, subject to the condition of company's net profit above 1 billions of rupiah.

