

Investment Potential of Sugar Cane Agribusiness



Opportunity in commodity exchange industri (+ 1,6 million tons) very prospective remembers requirement of consumption of commodity exchange incorporated still have not fulfilled. The negative whereas to fulfill requirement of is with import.

In supporting acceleration of national commodity exchange 2002-2007 through extension activity of sugar cane crop and expansion of sugar mill in Garut Regency will assist requirement fill of national commodity exchange at the same time economizes state's stock exchange. Expansion of sugar cane in South of Garut very enabled to remembers :

- Technically compatible and enthused by farmer ;
- Economically enough proviting ;
- In social can open work field 1 (one) permeable sugar mill around 25.500 labour ;
- Existence of land potential around 18.000 Ha consisted of by HGU, government land (Panganggoan) and ownership land ;
- Creation of Industrial Area of Plantation Public (KIMBUN) sugar cane in Garut Regency.

Expansion plan of sugar cane in Garut Regency is :

- Short-range - Expansion of cane fild 150 ha, management unit of sugar cane
- Intermediate term - Expansion of cane fild 1000 ha, development of mini sugar mill
- Long-range - Development of cane field 4000 – 5000 ha or with 15.000 ha through plasma core

Expansion policy of this agricultural sector taken remembers level of resource potency owned by Garut Regency. Besides, this sector also is sector capable to permeate public job is big enough as economics activator of area being based on local resource. In this agribusiness development program, investment program always is pre-eminent commodity as leading its sector which then is expected able to give multiplier effect at its following sector. Pre-eminent Commodity intended is expected laboured based on competitive excellence and comparability sustained by technological exploiting matching with agroecosystem to increase added value and has multiflier effect to growing it other sector.

Expansion and audition of pre-eminent commodity based on by region approach (area) and approach of market causing is expected able to guarantee continuity of produce of through excellence exploiting of area comparability as expansion bases (specific or local excellence) and can grow central specific commodity of region pushing interrelationship between regions dynamically and awakens interaction of dynamic product sector and market.

Profile of Cane Agrobusiness

PROJECT NAME : AGROBUSINESS

CAPACITY : 120 day

LOCATION : South of Garut

AREAS : 1 Ha (sample)

Areas Status : Owner of Local Government Garut

Investment Forecast

Fixed Capital : 4.435.000/ha

Circulating Capital : 15.695.000/ha

Total : 20.130.000/ha

Labour Needs

Permanent workers : 3 People

Part time worker : 20 People

Total : 23 People

Study Support

Study of Investment Opportunity : Available
(Opportunity Study)
Project Feasibility Pre-Study : Available
(Pre-Feasibility Study)
Project Feasibility Study (FS) : Available

Financial Profitability :

BEP = Rp 17.678.266

Payback Period = 1,3 year

NPV = Rp 17.698.350 (PV 12% = 37.828.350, outlays = 20.130.000 and
estimation = 12% in 3 year)

IRR = 47,67 %

ROI = 56,48 % (rounded up)