

# QY NEW WATERMELON BUSINESS

Xingshu Wang<sup>1</sup>, Pavinee Na Srito<sup>2</sup>

<sup>1,2</sup>Graduate School, Southeast Asia University, Bangkok, Thailand

E-mail: [Pavinee732@gmail.com](mailto:Pavinee732@gmail.com)

## ABSTRACT

With the rapid improvement of economic development and people's living standards, while people are enjoying the fruits of modern civilization, civilization disease, that is, lifestyle disease, is becoming increasingly popular, and more and more people are in the state of sub-health. Therefore, we cooperate with the scientific research platform of universities to carry out the research and development and production of intelligent watermelon planting technology with high glutamate and adopt the "company + farmer" mode to achieve the goal of "benefiting the people and targeted poverty alleviation". Business Scope: high citrulline watermelon seedling propagation, research and development, watermelon planting company cooperation, and then gradually promote to farmers. Build a poverty alleviation mode of "government + university + company + poor households" in watermelon industry. The research is Qualitative research. The financial IRR of this project is 11.71%, the return on total assets is 14.92%, the payback period is 2 years, the net present value will reach 825,500 yuan in 2026, and the return on equity will reach 497.5% in 2026, IRR 91%. The above indicators show that the project has a good return rate, controllable payback period, good financial indicators and feasible project.

**Keywords:** watermelon, agriculture, health

## I. Introduction

(1) After years of cultivation, the content of citrulline, VC, total amino acid and other key nutritional elements of the new high-citrulline watermelon is much higher than that of the traditional watermelon, and it has the characteristics of high fruit setting rate and low incidence. After testing and comparing with the mainstream varieties in the market, the new high-citrullinated watermelon is the watermelon variety with the best taste and the most abundant nutritional value in the industry at present, which has the effect of health care.

(2) the tsing yi is committed to the project team with "new high citrulline watermelon" as the core, combined with the team since the research of intelligent application, powder on pollination device, fertilizer equipment and other hardware products, as well as the team of agricultural support team (in the obligation of anhui institute of science and technology college students give priority to guide team), to help local farmers increase production.

(3) The company is committed to building a nationally well-known high-end watermelon brand "Qingyi Watermelon", and taking the "Chu Orange" model as the benchmark, to build a large-scale high-end watermelon industry base for Anhui, establish an industrial chain of watermelon variety optimization, planting management, channel sales and secondary processing, and establish a high-quality watermelon characteristic brand.

## Ii. Introduction to the company

### 2.1 Company history

Anhui Qingyi Agricultural intends to be registered in China. The company is a professional engaged in the selection and breeding of new functional watermelon varieties, large-scale seedling planting, watermelon related product development as one of the enterprises, the company has the ability to independently develop new product technology, advocating the concept of poverty alleviation and production promotion for rich farmers. The company mainly takes high citrullinated watermelon technology as the development guide, to develop high citrullinated secondary deep processing products as another profit channel, together with the government to help rich farmers as the main cause. On the basis of cooperation with universities, the company strives to transform knowledge into technical products, respond to the national poverty alleviation policy, and promote the development of regional agricultural economy.

Business scope: Technology development, technology extension, technology service, technology transfer and technology consultation in the fields of agriculture and biology; Planting and sales of seedlings and flowers; Production of crop seeds, grass seeds, tree seeds and aquatic seedlings; Data processing services; Water and fertilizer integration equipment, agricultural Internet of things equipment.

### 2.2 Mission Statement

Adhering to the small gang spirit of "dare to break, dare to do, dare to be the first", we vigorously respond to the call of the state, take functional agriculture as the starting point, and use modern biotechnology, modern engineering technology and modern information technology as the means to promote rural revitalization. Modern agriculture and information technology will be combined and carried out online and offline at the same time. Integration of service sales.

### **iii. Industry analysis**

#### **3.1 Overall market status**

1. Chinese people have not yet formed their own excellent watermelon brand

Watermelon varieties on the market is much and miscellaneous, in the realization of China's cultural self-confidence, under the trend of all walks of life are all in the building with products of China's story, yet people often buy only impression when buying watermelon tastes good varieties, known as the brand is almost all foreign brands, to realize the cultural confidence, we need a Chinese own watermelon brand to the international good Chinese story.

2. Functional watermelons have high requirements for planting technology

Function according to the survey and the data shows, watermelon since 2013, the annual output of about 4 million tons, annual output 4.8 million tons, 2020, though a rise, but because of difficult to grow, pollination, survival rate of seedlings, functional substance content is not stable, and so on questions, function of watermelon production still cannot satisfy the market demand, for the need of function of watermelon, people For people who need functional watermelon, the planting area and yield are far from enough.

### **4. Market analysis**

#### **4.1 Target Groups**

The watermelon sold by the company because of its health function production characteristics, the price will naturally be slightly higher than the general agricultural products, so the company's products facing consumers need to have a certain economic basis. Consumers also have a certain economic ability, will show the nature of the product outside the pursuit of product connotation. At present, it is mainly government procurement and cooperation with surrounding universities, enterprises and institutions. According to the survey of more than 1000 questionnaires, 56.59% of the samples are employees of enterprises and public institutions, which shows that employees of enterprises and public institutions are more willing to buy functional watermelon products of our company. Most of them are between 35 and 54 years old, with a monthly income of more than 6,000 yuan and a stable family structure. They have long experience in Internet tourism and have a comprehensive understanding of the products.

#### **(I) Product strategy**

The company is committed to relying on the scientific research platform of universities to carry out intelligent technology research and development and production of high-citrullinated watermelon planting, and adopts the "company + farmer" mode to achieve the goal of "benefiting the people and targeted poverty alleviation". Adhere to the cooperation with the Institute of Functional Agriculture of Anhui University of Science and Technology and other main business scope: high citrullinated watermelon seedlings breeding, research and development, watermelon planting company cooperation, and then gradually to the farmers. Construct the "government + universities + companies + poor households" watermelon industry poverty alleviation model.

#### **5.2 Pricing strategy**

(1) Skimming pricing method

(1) The so-called "skimming pricing method" is also known as high price method, that is, the price of the product is set higher, as far as possible in the early life of the product, before competitors develop similar products, as soon as possible to recover the investment, and make a considerable profit. Then with the passage of time, in the gradual reduction of the price of the new product into the elastic market. In general, the skimming pricing strategy can be used for brand new products, products protected by patents, products with small price elasticity of demand, popular products, and products where the future market situation is difficult to determine.

### **7. Operation plan**

#### **Operation mode and procedure**

(1) Selection and breeding of functional watermelon varieties

At present, watermelon varieties with high citrullinate have been selected and bred, and the development, demonstration and promotion of nutrient fortification technology have been carried out.

(2) Establish cooperative relations with related enterprises and beauty institutions

Cooperate with fruit sales enterprises and large supermarkets, actively promote the collaborative sales of watermelon and other secondary processed products, drive the sales of watermelon and promote it together. High citrullinated watermelon drives the coordinated development.

(3) Online trading

Through the comprehensive platform, all aspects of promotion. Launch live streaming online sales. Run an online store to shop online first and then deliver goods to your door. Provide convenience to consumers in order to promote consumption.

## 9. Financial forecasting is related to financing

### 9.1 Statement of Sources and Use of funds

#### (1) Initial financing plan

Anhui Qingyi Agricultural Science and Technology realizes functional watermelon sales based on modern big data integration, community and online marketing new model. It is expected that the initial investment scale is about 800,000 yuan, which is appropriate to discount the future expected cash flow through the net present value method. It is mainly used for the production and sales of functional watermelon, the production of functional watermelon rind knives, the cooperation with relevant companies, insurance and infrastructure purchase. It plans to raise funds of 800,000 yuan, and the financing methods include internal financing, long-term borrowing financing, angel financing and so on. However, considering that the project is in its infancy, it is difficult to obtain investor investment, and a large amount of debt to leverage the financial leverage is not conducive to the safety of the stable operation of the company in the later period. Therefore, the funding sources mainly include debt financing (41.6%), self-raised funds (27.8%), and incubation plans (13.9%). The specific financing scale and proportion are as follows.

#### (3) Use of funds

For companies operating at different stages of development plans, the prophase development money in specific situation is as follows: 60% of funding for citrulline and watermelon watermelon production secondary processing production, 10% of the funds used for high citrulline watermelon variety extension and expansion of the market, 20% of funding for artificial payrolls, 10% money for technology research and development, etc.

The funds obtained from fundraising are mainly used for the expansion development of the company in the first, second and third years. According to the financial budget, the first year needs about 480,000 yuan, which accounts for 50% of the initial financing amount. The first year is mainly to carry out the production of high-citrullinated watermelon with watermelon planting cooperatives and purchase agricultural production materials, etc. At the same time, we entrust related enterprises to process secondary watermelon processing products and smart agricultural products, and carry out sales and promotion of high-citrullinated watermelon, etc. Since the second and third years, the company has made profits, so part of the funds needed in the second year can come from the revenue in the first year, and so on.

(1) Working capital 100,000 yuan is used as the working capital of the first year, which is mainly used to guarantee the needs of capital circulation in the normal operation of the enterprise.

(2) RMB 200,000 in the first year for fixed asset investment. The fixed assets of the project are mainly used for the construction of production base, the construction of watermelon product packaging and other platforms, the recruitment of personnel, and the seeking of cooperation with manufacturers, etc.

(3) RMB 70,000 was spent on the construction and maintenance of the online construction website.

(4) 50,000 yuan for publicity and 160,000 yuan for labor.

#### 9 Feasibility Analysis

Basic financial assumptions:

(1) National policies and tax rates remain unchanged, and market interest rates do not fluctuate much.

(2) With the development of society, people's requirements for the quality of life and the increase of environmental protection and health consciousness, the market space of this product exists and the demand is increasing year by year, the sales prospect is optimistic.

(3) The market prices of raw materials, wages and welfare costs, labor costs and so on have no great change.

Tables Forecast Income statement

| Annual Income Statement 2021 Unit: Ten thousand yuan |                        |                   |                   |
|--|------------------------|-------------------|-------------------|
|  |                        | Forecast for 2022 | Forecast for 2023 |
| 1  | Main business income   | 500               | 1000              |
| 2  | Main business costs    | 280               | 550               |
| 3  | Total annual cost      | 300               | 600               |
| 4  | Profit margin on sales | 0.40              | 0.40              |

#### Forecasted cash flow statement

Tables Projected cash flow statement

| Annual Income Statement 2021 Unit: Ten thousand yuan |   |               |               |
|--|---|---------------|---------------|
|  |   | 2022 forecast | 2023 forecast |
| 1  | Net cash inflow from operating activities | 300.00        | 201.14        |
| 2  | Net cash flow from investing activities   | 270.00        | 199.75        |
| 3  | Net cash flow from fundraising activities | 0.00          | 0.00          |
| 4  | Net increase in cash and cash equivalents | 10.64         | 1.37          |

The project financial internal rate of return is 11.71%, the return on total assets is 14.92%, and the investment payback period is 2 years. From the above indicators, it is shown that the project yield is good, the investment payback period is controllable, the project financial indicators are good and the project is feasible.

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