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Course title:Food Production and health awareness

Question: prepare a business plan on a chosen agricultural enterprise following the guideline in the note.

Industry Overview

The agricultural industry, of which commercial farming is a subset of, is no doubt amongst the leading industry in most countries of the world. It is the industry that produces food for the populace and raw materials for industries.

Because of the significant role the agriculture sector plays, the government of most countries ensure that they go all the way to subsidize seedlings, fertilizers, and farming implements and machinery for farmers, and also encourage entrepreneurs to go into commercial farming.

There are several business opportunities that are readily available in the agricultural industry and one good thing about the industry is that there is market for all the produce from the industry.

Over the years, researchers and scientist have been researching on ways to improve crop cultivation especially in areas where the soil composition and climatic condition does not support the growth of certain crops (cash crops, food crops et al). So also engineers have been improving on their invention as regards mechanized (commercial) farming.

Summary

Morenike Farms is a company that is to be based in Nigeria. We have played a crucial part in doing our detailed market research and feasibility studies and we were able to secure a hundred hectares of land to start our commercial farming.

Our commercial farming is a going to be standard commercial farm , hence will be involved in commercial crop cultivation, fish farming, poultry farming and of course animal farming. We will be involved in both organic commercial farming and non – organic commercial farming.

In the nearest future, hopefully within the first five years of officially running Morenike farms, we will commence our food processing plant and also start exporting our agriculture produce to other parts of the world.

This is why aside from the fact that we’ve secured the required farming land and most of the farming equipment and machines; we have also hired some key employees who are currently undergoing training so as to be able to fit into the ideal picture of the 21st century commercial farm workforce that we want to build.

We are in this business because we want to leverage on the vast opportunities available in the industry, to contribute our quota in growing the Nigerian . economy, in national food production, raw materials production for industries, to export agriculture produce from the Nigeria to other countries and over and above to make profit.

Morenike farms is well positioned to become one of the leading commercial farms in Nigeria which is why we have been able to source for the best hands and machines to run the company with.

We have put process and strategies in place that will help us employ best practices when it comes to commercial farming processes and food processing as required by the regulating bodies in Nigeria. Morenike farms is a private registered company that is owned by Morenike Lambo.

The company will be fully and single handedly financed by the owner – Morenike Lambo and her immediate family members- at least for a period of time. The company is committed to cultivating organic and non – organic agriculture products for both the Nigerian market and the global market. We are in business to produce both food and raw materials for industries in commercial quantities.

We will also ensure that we operate a standard food processing plant as part of our complimentary business. These are the areas we will concentrate on in our commercial farms. If need arises we will definitely add more agriculture produce to our list;

Cultivation of Grains (Grains such as millet, wheat, oat, shogun, barely, cereal, soybeans, black mustard, sunflower seed et al)

Fruits Plantation

Vegetable Cultivation (Tomatoes, Lettuce, Cabbage, etc)

Cotton Wool and other cash crops cultivations

Tea and Coffee Cultivation

Cattle Ranch (Including goats, sheep, grass – cutters, pigs and rabbits et al)

Poultry

Fish Ponds

Standard Food Processing Plant (Tomatoes Paste, Fruit Juice, Processed Diary foods)

Mission and Vision Statement

Our Vision is to become one of the leading commercial farm brands not just in Nigeria but also on the global stage.

Morenike farms is a registered company that is in business to cultivate in commercial quantities both organic and non – organic agriculture produce for both the Nigerian market and the international market.

Aside from agriculture produce, we want our processed food to flood the nooks and crannies of Nigeria and other countries of the world.

Business Structure

Morenike farms is a privately owned and managed commercial farm that is into a wide range of agriculture produce. Hence we have made provisions to hire the required numbers of employees that will help us drive the business to the desired heights we want it to get to.

It is important to note that the nature of the business that we are in requires that from time to time we hire casual workers (contract staff) especially during land preparation stage, planting stage and harvest periods. Below is the business structure of Morenike farms:

Chief Operating Officer

General Farm Manager

Administrator / Accountant

Crop Cultivation Manager / Supervisor

Fish Farming Manager / Supervisor

Poultry Farming Manager / Supervisor

Cattle Ranch Manager / Supervisor

Sales and Marketing Executive

Field Employees

Front Desk Officer

Job Roles and Responsibilities

Chief Operating Officer:

Responsible for providing direction for the business

Creates, communicates, and implements the organization’s vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization’s strategy.

Responsible for the day to day running of the business

Responsible for handling high profile clients and deals

Responsible for fixing prices and signing business deals

Responsible for signing checks and documents on behalf of the company

Evaluates the success of the organization at regular interval

General Farm Manager

Responsible for the planning, management and coordinating all farm activities across the various sections on behalf of the organization

Supervises other section manager

Ensures compliance during project executions

Provides advice on the management of farming activities across all section

Responsible for carrying out risk assessment

Uses IT systems and software to keep track of people and progress of the growth of crops, fishes, birds and animals

Responsible for overseeing the accounting, costing and sale of farm produce after harvest

Represents the organization’s interest at various stakeholders meetings

Ensures that farming goals desired result are achieved, the most efficient resources (manpower, equipment, tools and chemicals et al) are utilized and different interests involved are satisfied. Responsible for preparing financial reports, budgets, and financial statements for the organization

Responsible for overseeing the smooth running of HR and administrative tasks for the organization

Handles all financial transactions for the company

Defines job positions for recruitment and managing interviewing process

Carries out staff induction for new team members

Responsible for training, evaluation and assessment of employees

Oversees the smooth running of the daily farming activities across the various farming sections.

Administrator / Accountant

Responsible for overseeing the smooth running of HR and administrative tasks for the organization

Defines job positions for recruitment and managing interviewing process

Carries out staff induction for new team members

Responsible for training, evaluation and assessment of employees

Responsible for preparing financial reports, budgets, and financial statements for the organization

Responsible for financial forecasting and risks analysis.

Responsible for developing and managing financial systems and policies

Responsible for administering payrolls

Ensures compliance with taxation legislation

Handles all financial transactions for the company

Serves as internal auditor for the company

Crop Cultivation Manager / Supervisor

Responsible for managing the crop cultivation section of the commercial farm

Supervises other workers within the department

Works closely with the General Manager to achieve the organizations’ goals and objectives

Fish Farming Manager / Supervisor

Responsible for managing the fish farming section of the commercial farm

Supervises other workers within the department

Works closely with the General Manager to achieve the organizations’ goals and objectives

Poultry Farming Manager / Supervisor

Responsible for managing the poultry farming section of the commercial farm

Supervises other workers within the department

Works closely with the General Manager to achieve the organizations’ goals and objectives

Cattle Ranch and Animal Manager / Supervisor

Responsible for managing the cattle ranch and animal rearing section of the commercial farm

Supervises other workers within the department

works closely with the General Manager to achieve the organizations’ goals and objectives

Sales and Marketing Officer

Identified, prioritizes, and reaches out to new markets for our agriculture produce, processed food, new partners, and business opportunities within the agro – allied industry

Develops, executes and evaluates new plans for expanding increase sales of all our agriculture produce and processed foods

Documents all customer contact and information.

Represents the company in strategic meetings

Helps to increase sales and growth for the company

Field Workers / Contract Staff

Responsible for preparing farm lands for crop cultivations

Responsible for feeding fishes, birds and animals as instructed by the supervisor

Responsible for cleaning poultry and cattle ranch

Changes the water in fish ponds as instructed by the supervisor on a regular basis

Handles Sod installation/hydro – seeding

Weeding or fertilizer and/or pest control application

Handles farm implements and machines as instructed by the section manager / supervisor

Assists in handling the harvest of crops, fishes and birds et al

Carries out task in line with the stated job description

Assists in transport working tools and equipment from the farm and back to the designated store room

Handles any other duties as assigned my the line manager

Front Desk / Customer’s Service Officer

Receives Visitors / customers on behalf of the organization

Receives parcels / documents for the company

Handles enquiries via e-mail and phone calls for the organization

Handles any other duties as assigned my the line manager

SWOT Analysis

Morenike farms do not intend to launch out with trial and error hence the need to conduct a proper SWOT analysis. We know that if we get it right from the onset, we would have succeeded in creating the foundation that will help us build a standard commercial farm that will favorably compete with leading commercial farms in Nigeria and in the rest part of the world.

As an all – round commercial farms, we look forward to maximizing our strength and opportunities and also to work around our weaknesses and threats. Here is a summary of the result of the SWOT analysis that was conducted on behalf of Morenike farms

Strength:

Our strength as a commercial farm company is the fact that we have healthy relationships with loads of major players (agriculture merchants) in the agro – allied industry; both suppliers and buyers within and outside Nigeria

We have some of the latest commercial farming machines, tools and equipment that will help us cultivate crops and animals in commercial quantities with less stress. Aside from our relationship (network) and equipment, we can confidently boast that we have some the most experienced hands in FCT in our payroll.

Weakness:

Our weakness could be that we are a new commercial farm in Nigeria , and perhaps the fact that we decided to diversify our farming activities could count against us initial. We are aware of this and from our projection will overcome this weakness with time and turn it to a major advantage for the business.

Opportunities:

The opportunities that are available to us cannot be quantified, as we know that there are loads of homeowners, and industries that will source for our organic and non – organic agriculture produce and also industries that will source for the raw materials from our commercial farms both in Nigeria and other parts of the world.

Threat:

Some of the threats and challenges that we are likely going to face when we start our own commercial farm are global economic downturn that can impact negatively on household spending, bad weather cum natural disasters (draughts, epidemics), unfavorable government policies and the arrival of a competitor (a commercial farm that cultivates same crops or rear same animals, birds and fish) as our farms within same location.

There is hardly anything we can do as regards this threats and challenges other than to be optimistic that things will continue to work for our good.

MARKET ANALYSIS

Market Trends

One of the common trends in the commercial farming line of business is that most players in the industry are no longer concentrating only on non – organic farming. They now find it easier to run both organic crop cultivation and non – organic crop cultivation. It is fact that despite that organic food are expensive, the sale for organic food is on the increase and it is indeed profitable.

Despite the fact that commercial farming has been in existence since time immemorial that does not in any way make the industry to be over saturated; commercial farmers are exploring new technologies to continue to improve cultivation processes and also food preservation process; mechanized farming has indeed increased the tons of food produced by farmers.

The fact that there is always a ready market for commercial farming produce makes the business ever green. As a matter of fact, one of the new trends is that with the recent advancement in technology farmers are now grow crops in commercial quantities in a country where such crops can hardly survive and in places where there are few farming land, commercial farmers now make use of the rooftop (basement) of their houses to cultivate crops even for commercial purposes.

Our Target Market

Naturally, the target market of those who are the end consumer of commercial farm produce and also those who benefits from the business value chain of the agriculture industry is all encompassing; it is far – reaching.

Every household consumes produce from commercial farms be it vegetables, fruits, grains, tubers, fish, eggs, poultries, and cattle et al. So also a large chunk of manufacturing companies depends on commercial farms for some of their raw materials. In essence a commercial farmer should be able to sell his or her farm produce to as many people as possible.

We will ensure that we position our business to attract consumers of agriculture produce not joust in Nigeria alone but also other parts of the world which is why we will be exporting some of our farm produce either in raw form or processed form to other countries of the world.

Our Competitive Advantage

It is easier to find entrepreneurs flocking towards an industry that is known to generate consistent income, which is why there are more commercial farmers in Nigeria and of course in most parts of the world.

As a matter of fact, entrepreneurs are encouraged by the government to embrace commercial farming. This is so because part of the success of any nation is her ability to cultivate her own food and also export foods to other nations of the world.

Morenike farms is fully aware that there are competitions when it comes to selling commercial farm produce all over the globe, which is why we decided to carry out thorough research so as to know how to take advantage of the available market in Nigeria and in other parts of the world.

We have done our homework and we have been able to highlight some factors that will give us competitive advantage in the marketplace; some of the factors are effective and reliable farming processes that can help us sell our produce at competitive prices, good network and excellent relationship management.

Another competitive advantage that we are bringing to the industry is the fact that we have designed our business in such a way that we will operate an all – round standard commercial farms that will be involved in diverse areas such as crop cultivation, poultry farming, fish farming, animal rearing and food processing plant. With this, we will be able to take advantage of all the available opportunities within the industry.

Lastly, our employees will be well taken care of, and their welfare package will be amongst the best in the industry meaning that they will be more than willing to build the business with us and help deliver our set goals and achieve all our objectives as a standard commercial farms with a food processing plant.

SALES AND MARKETING STRATEGY

We are quite aware that the reason why some commercial farms hardly make good profits is their inability to sell off their farm produce especially perishable crops as at when due. In view of that, we decided to set up a standard food processing plant to help us maximize profits.

Over and above, we have perfected our sale and marketing strategies first by networking with agriculture merchants and companies that rely on raw materials from the agriculture industry who are likely to refer become our customers.

In summary, Morenike farms will adopt the following strategies in marketing our commercial farm produce;

Introduce our business by sending introductory letters alongside our brochure to stake holders in the agriculture industry, companies that rely on the agriculture industry for their raw materials, hotels and restaurants and agriculture produce merchants, amongst others.

Advertise our business and agriculture produce in agro – allied and food related magazines and websites

List our commercial farms on yellow pages ads

Attend related agriculture and food expos, seminars, and business fairs et al

Leverage on the internet to promote our business

Engage in direct marketing

Encourage the use of word of mouth marketing (referrals)

Sources of Income

It is very vital to spell out from the outset in any business how funds will be raised. In this case, Morenike farms is business for the purpose of maximizing profits, hence we have decided to explore all the available opportunities within the industry to achieve our corporate goals and objectives.

In essence we are not going to rely only on the sale of our farm produce to generate income for the business. Below are the sources we intend exploring to generate income for Morenike farms:

Sale of Grains (Grains such as millet, wheat, oat, shogun, barely, cereal, soybeans, black mustard, sunflower seed et al)

Sale of varieties of Fruits

Sale of varieties of Vegetable

Sale and Export of Cotton Wool and other cash crops

Sale and export of Tea and Coffee

Sale of Cattle and milk (Including goats, sheep, grass – cutters, pigs and rabbits et al)

Sale of Poultry and eggs

Sale of Fish

Sale of processed foods / can – food (Tomatoes Paste, Fruit Juice, Processed Diary foods, and can foods et al)

Agricultural Related Consultancy and Advisory Service

Sales Forecast

From the survey conducted, we were able to discover that the sales generated by a commercial farm depend on the size of the farm, the nature of the commercial farm (whether cattle rearing, poultry farming, fish farming and crops cultivation et al).

We have perfected or sales and marketing strategies and we are set to hit the ground running and we are quite optimistic that we will meet or even surpass our set sales target of generating enough income / profits from the year of operations and build the business from survival to sustainability.

We have been able to critically examine the agriculture industry cum commercial farm business and we have analyzed our chances in the industry and we have been able to come up with the following sales forecast. The sales projections are based on information gathered on the field and some workable assumptions as well with respect to the nature of commercial farm that we run.

Below are the projections that we were able to come up with for the first three years of running Morenike farms

Financial Projections and Costing

When it comes to calculating the cost of starting a commercial farm, there are some key factors that should serve as a guide. The different niche of commercial farms determines the total cost of setting up the business. For illustration, the start – up cost for a fish farm is different from the start – up cost for mechanized crop farming, so also the start – up cost for poultry farming is different from the start – up cost of cattle ranch (dairy farm) et al.

As a matter of fact, if you choose to start a mechanized crop farming, then you should be willing to raise huge capital base to start the business. This is so because some cultivation machines / equipment can be pretty expensive. Below are some of the basic areas we will spend our start – up capital in setting up our commercial farm;

The Total Fee for incorporating the Business (commercial farm) in Nigeria – $750.

The budget for key insurance policies, permits and business license – $2,500

The amount needed to acquire / lease a farm land – $50,000

The amount required for preparing the farm land (for crop cultivation, fish ponds, poultry, fencing et al – $30,000

The cost for acquiring the required working tools and equipment / machines / tractors et al– $500,000

The Cost of Launching an official Website – $600

Additional Expenditure (Business cards, Signage, Adverts and Promotions et al) – $2,000

Going by the report from detailed research and feasibility studies conducted, we will need an average of $500,000 to start a standard commercial farm business in the Nigeria. These are some of the equipment that we would need to fully launch our commercial farm,

Tractor

Soil cultivator

Plough

Harrow (e.g. Spike harrow, Drag harrow, Disk harrow)

Stone / Rock / Debris removal implement (e.g. Destoner, Rock windrower / rock rake, Stone picker / picker)

Broadcast seeder (alternatively: broadcast spreader, fertilizer spreader, or Air seeder)

Planter

Plastic mulch layer

Potato planter

Seed drill (e.g. Precision drill)

Transplanter (e.g. Rice transplanter)

Sprinkler system irrigation

Mower

Sickle

Winnower

Milk machine (bulk tank, milking pipeline et al)

Wheel Barrow

Truck

Basically, the nature of commercial farms does not require an office space; most people that run commercial farms operate directly from their farms. But we have decide to open a small liaison office; a place where administrative jobs will be carried out.

N.B: the amount are being calculated in US dollars ($).

It is easier for a company to survive when there is steady flow of income which is why we will ensure that we leverage on every business opportunities that we come across to sell our farm produce. Also as part of our business sustainability and expansion strategy, we will kick – start our food processing plant as soon as possible. This is to create additional income for the business.

Another sustainability and expansion strategy that we have adopted is continuous training of our workforce (both full-time staff and part – time workers) so as to provide them with the capacity to perform effectively. We believe strongly in the fact that if we are able to invest the best in our employees, then they will be able to give our clients the best and this will in turn produce benefits immensely.

We know that good and healthy farm produce, integrity, competence, trust and good relationship management is factor that can guarantee a business to grow and survive in hash business environment which is why we will work hard not to compromise these qualities that we possess.

Check List / Milestone

Business Name Availability Check: Completed

Business Incorporation: Completed

Opening of Corporate Bank Accounts various banks in Nigeria : Completed

Opening Online Payment Platforms: Completed

Application and Obtaining Tax Payer’s ID: In Progress

Application for business license and permit: Completed

Purchase of All form of Insurance for the Business: Completed

Leasing of farm land in Des Moines, Iowa: Completed

Conducting Feasibility Studies: Completed

Start – up Capital Generation: Completed

Writing of Business Plan: Completed

Drafting of Employee’s Handbook: Completed

Design of The Company’s Logo: Completed

Graphic Designs and Printing of Packaging Marketing / Promotional Materials: Completed

Recruitment of employees: In Progress

Building /construction of fish ponds, cattle ranch, and poultry: In Progress

Purchase of the needed working tools, machines and equipment: Completed

Creating Official Website for the Company: In Progress

Creating Awareness for the business (Business PR): In Progress

Farm land Treatment, Health and Safety Arrangement: In Progress

Establishing business relationship with key players in the industry (agriculture farm produce merchants, transporter / haulage and suppliers of seeds, fertilizers, pesticides and insecticides): Completed.

The Morenike farms business is going to make good progress for Nigeria and also in the global market.