NAME:YUSUF RAKIYA ADEOLA

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DEPARTMENT: MEDIA AND COMMUNICATION STUDIES

COLLEGE: SOCIAL AND MANAGEMENT SCIENCES

**QUESTION:** Prepare a business plan on a chosen agricultural enterprise following the guideline in

the note.

A Business Plan for the development of a 10 acre farm that concentrates on the growing of fruits at

Willow Way farm , ikorodu, Lagos state, Nigeria by Kiya’s Agricultural Business Enterprise.

Willow way Farm is a farm that grows a variety of fruits. The farm has been in operation for two

years now, which initially kicked off as an hobby and later resulted into a profitable business. Willow

way Farm started off when Mrs Yusuf Rakiya could use her biology skills to grow fruits and covering

some of the cost. After two years of taking it as an hobby they decided to turn into a profitable

business because they saw no need to effortlessly invest money into something without getting

profit in return. They have chosen an ideal place to grow fruits which is on a 10 acre of land. Willow

way farm employs a proper irrigation system for all the fruits in order to maintain a healthy

and productive fruit orchard. Growing of fruits was chosen for the main reasons. Firstly, is the

healthy living that they offer therefore the plants have a positive contribution to society by

improving people's health. The second, fruit is a very strong industry with excellent growth, ensuring

demand for what they produce. Willow way farm will offer the following excellently:

1. Apples

Nutritionally speaking, apples are a relatively high-carbohydrate fruit and their most

significant nutrient is vitamin C. They’re a very versatile fruit; while often eaten as a snack,

they’re also used in a variety of dessert recipes. Per large apple, the nutrient profile includes

Calories: 104 kcal, Carbohydrate: 27.6 g, Fiber: 2.8 g, Sugar: 21.8 g, Fat: 0.3 g, Protein: 0.6 g, Vitamin

C 14% RDA, Potassium: 6% RDA, Manganese: 4% RDA, Vitamin B6: 4% RDA, Vitamin B2: 4% RDA

2. Banana

Since bananas have a very sweet taste, dessert recipes often use them.

In particular, banana splits, banana milk, and banana bread are some of the most popular

options. Due to their accessibility and inexpensive price, bananas are one of the most

popular types of fruit

3. WATER MELON

This is a Source of Energy Production. Watermelon is concentrated with b-vitamins. Bvitamins

are responsible for a lot of your body’s energy production. This means eating

watermelon can give you substantial energy. It also has high amounts energizing nutrients of

magnesium and potassium. Eating watermelon is a safe alternative to taking energy drinks prior

to exercise. It also hydrates you due to its high water content as opposed to caffeine filled

energy drinks that dehydrate you.

4. Pawpaw

Paw-paw has many nutritional and health benefits. It is easily digestible and aids in the

digestion of other foods. It is rich in vitamin A and C, potassium, calcium, magnesium, phosphorous,

iron, and soluble vegetable fiber. It is recommended that paw-paw be taken regularly. Paw-paw is

much desirable and enjoyed when eaten fresh and ripe. Taking it in this way makes it to become an

excellent breakfast and desert. Paw-paw juice mixed with milk is an excellent blood tonic, dessert

and appetizer. Paw-paw prevents stomach troubles, such as indigestion, constipation, and peptic

ulcers.

**EXECUTIVE SUMMARY AND BRIEF DESCRIPTION OF THE PROJECT**

Willow Way is an existing farm dedicated to the production of fruits. Willow way farm is

working hard to become a leading producer of fruits for the natural supplement industry. By

leveraging a well thought out business plan executed by a skilled management team, Willow way

farm will generate over 85 million Naira in year three sales. Willow way is a 10 acre farm that

concentrates on the growing of fruits. Willow way farm has chosen four fruits that have significant

market demand as well being well suited for growth. Willow way farm has decided to adhere to

these strategies which includes Strict financial controls,The never ending pursuit of the highest

concentration of fruits in every plant, and Ensuring that all customer's needs are met and they are

satisfied with the purchased products. The farm will produce about 2,000 fruits in a production cycle

in which some can be made into edible fruits, juice, jelly items, or fruit dishes for restaurants. China

being the largest producer of fruits in the world, in Nigeria, the most popular producing states

includes Kano, Nasarrawa, jigawa and Benue states.

This proposed project will provide quality fruits to the people at fair prices while exceeding

consumers expectations. It is a profitable business that will generate income for the farmers as well

as profits for suppliers and investors. It will also help to reduce the risk of chronic disease on the side

of the people. Willow way farm has identified the key things that will be instrumental in their

success. The first is the implementation of strict financial controls. By having the proper controls,

production efficiency will be maximized. The second key will be the never ending pursuit for the

industry's highest concentration levels of seeds in each plant. The third key is the recognition and

implementation of the philosophy that 100% customer satisfaction is required to ensure a profitable

business. Profits are a by product of satisfying customers, not the other way around.

**SPONSORSHIP**

This project is sponsored by Mrs Yusuf Rakiya Adeola, the legal Owner of Willow way farm. Mrs

Yusuf Rakiya is a successful entrepreneur who has established and grown Willow way farm for three

years now. Kiya’s Agricultural Buisness was created by Miss Yusuf to have a community of farmers in

ikorodu, Lagos state. Also, Miss Yusuf is a first class degree holder of Agriculture which helps in the

growth of farm and also an expert and knowledgeable in the Buisness plan being proposed.

Alongside Mrs Yusuf Rakiya Adeola, this project will also be supported by her husband, Mr Yusuf

Akeem who also an average knowledge of the farm Buisness due to the knowledge of his wife.

**MANAGEMENT**

The Willow way farm management team is made up of the husband and wife team of Mrs Rakiya

and Mr Akeem Yusuf. Akeem studied at Landmark College, a small liberal arts school in ikeja, Lagos.

Akeem graduated with a dual major of Business and Philosophy. Mrs Rakiya is the

biology/horticulture manager for Willow way farm. She studied at the University of Lagos, first

receiving her undergraduate degree in Agriculture and later her Master's in Plant Biology. Rakiya’s

Master's thesis was a dual thesis in plant fertility, growing of fruits, herbal medicines, etc.

After school, Rakiya moved down to ikorodu to work at one of the largest indoor growing

operations farms in Lagos. Rakiya and Akeem moved to Ikorodu in the pursuit of Rakiya’s dream of

running her own farm. For the first two years she ran the farm as a hobby, just figuring things out

without a concern for profits. After several serious conversations, they decided to really make the

farm a business.

Playing to their strengths Rakiya will manage the farming operations and sales, while Akeem

handles the business operations.

**Personnel Plan**

Akeem: Operations including vendor relations, accounting, and some growing responsibility.

Rakiya: Head grower and sales. As head grower she is responsible for supervising, scheduling fruit

production, the cutting schedules, fruit seed selection, growing schedules, fertilizer selection and

application schedules, irrigation system development, and pest control. Because Rakiya has the

technical knowledge regarding the plants, fruits, and their industry leading fruits production she will

be in charge of sales which will include qualifying leads as well as participating in the final

negotiations and account management.

Grower: Rakiya will have the assistance of a full-time grower in order to allow her to meet her sales

responsibilities.

Laborers: The laborer positions will be seasonal as there is more work required from June to

September, however, there will always be some laborers on staff throughout the year. Some of the

responsibilities of the laborers are soil tilling, compost distribution, plant collections and trimming.

**Technical Assistance**

The Willow way Farm has working relationship with Small and Medium Enterprises Equity

Investment Scheme (SMEEIS). This is a voluntary initiative of the Bankers’ Committee to support

micro, small and medium enterprises (MSMEs), including agro and agro-allied businesses. Financing

is in form of either debt or equity. In the case of debt, the borrowing rate is not to exceed single digit

and in this regard they provide technical assistance to the Willow way farm.

Agricultural Credit Support Scheme (ACSS), . The initial ACSS fund of N50 billion was established with

contributions mostly from the CBN and deposit money from banks for the financing of large

agricultural projects such as establishment or management of plantations, cultivation or production

of crops, livestock, and fisheries and farm machinery and hire services. The borrowing rate is 14 per

cent, with the CBN absorbing 6 per cent while the borrower pays 8 per cent at full repayment. The

purpose of ACSS is to facilitate the development of the agricultural sector by advancing credit to

farmers at low interest rates. By pursuing this strategy, the government hopes to exert downward

pressure on prices of agricultural produce, especially food, leading to reduced inflation, increased

exports, diversification of government revenue base, and increased foreign exchange earnings, this

relationship will help borrow loans which can be used to yield their production.

The Willow way Farm also has working relationship with Lagos state Government, ikorodu Agri-

Farmers cooperation, Farmers cooperatives and also small individual farmers. This will offer

technical assistance in the sense that they will offtake the product through a purcjase and sales

contact agreement.

The Fruits will be sold through the Wholesaler/Distributor, Direct/Internet, Direct/Catalog,

Direct/Sales Team, Value-Added Reseller (VAR), Consultant, Dealer, Retail which are various

distribution channels in order to cover a wide range of audience. The fruits will be sold out which

can later be converted into juice, fruit dishes, etc.

Lastly, they have a working relationship with the National Poverty Eradication Programme (NAPEP),

Like FEAP, NAPEP was established by the federal government. The mode of operation is tailored

towards directed (subsidized) credit to farmers. They offer their technical assistance by providing

Youth empowerment scheme which involves capacity acquisition, mandatory attachment,

and credit delivery; Rural infrastructures Development scheme which involves the provision of

portable water, rural electrification, transportation and communication development. ; Social

welfare Services Scheme which is involved with qualitative education, primary health care, farmers

empowerment and provision of social services, provision of agricultural input and credit delivery to

rural farmers. ; and Natural Resources Development and Conservation Scheme which contains

programmes for environmental protection through conservation of land and space , development of

agricultural resources , solid minerals and waters resources.

**MARKET AND SALES**

Willow way farm has identified few main customer groups: consumers and buisnesses, local

shopping advocates, fresh food seekers, and other farms. The customer segments are distinct

enough to be able to target each one differently. The industry that Willow way farm produces for

has been undergoing consolidation for several years now. Willow way farm will be able to serve the

industry by leveraging their competitive edge of healthy, potent fruits.

Willow way farms has identified different target market segments which they will sell to.

1. Consumers and Buisnesses

Both consumers and businesses fit the target market for willow way farm fruit. .

Consumers looking to prepare meals for their families or prepare for parties can shop for

products in the farm. . A large restaurant or an eatery that’s a part of a chain or franchise

may not purchase goods from the farm, but a local deli, coffee house, or smoothie shop may

purchase fruits and vegetables they can add to the foods and drinks on their menus.

2. Local Shopping Advocates

Individuals who shop at willow way farm tend to be fans of shopping local to support small

businesses and farms in their areas. They purchase in-season produce from such stores, rather than

trekking to nearby towns and cities to make purchases from large chain supermarkets. These

customers search for stores that are close to their homes because they value putting money back

into their communities, as well as convenience.

3. Fresh food seekers

Individuals and businesses who purchase products from Willow way farm value eating

fresh foods. They prefer fresh fruits and vegetables to frozen, canned or dried versions. They

probably cook regularly, since fresh produce is perishable.

Willow way farm has chosen the these market segments based on the consistent demand for fruits..

While there are other potential customers, they are smaller, less consistent in terms of demand, and

more difficult to reach. The consumers, local shopping advocates, and the fresh food seekers are

attractive customers due to the their consistent demand and typical long-term loyalty to the farm.

There is significant value to these customers for a grower to consistently offer the same high level of

fruits and to be able to meet the needs of large volume, long duration contracts. The five main

channels of distribution are: consumer-direct (includes direct mail/catalog, direct from sales

representatives, multi-level marketing, Internet & infomercial/direct from television); food, drug,

mass-market stores, health and natural food stores, healthcare professionals and practitioners,

others.

Market orientation: domestic;South, west and East

Market share: 6% niche market in South, East, and West.

Users of product include restaurants, shopping stores, consumers, etc

**COMPETITION ANALYSIS**

Competition takes two forms, farms similar in size and production capacity to Willow way farm

and mega farms. The similarly sized farms range in size from 5-30 acres. The number of different

fruits grown varies from a handful to upwards of 50. The choice of fruits grown is based on owner

preference as well as location and the ability of the local growing conditions to support the different

fruits.

On the other end of spectrum is the megafarm. These farms have a similar range of fruits grown,

however they differ greatly in production capacity. These farms are huge, typically not less than 100

acres, peaking at 300 acres. These growers however are few in number. The buying patterns of the

different customers are typically based on these variables:

1. Price

2. Availability

3. Ability to deliver consistently on long-term contracts

4.Significant of active ingredients

5. Consistency.

Willow way Farm will leverage their competitive edge in order to gain significant market share.

Their competitive edge is their ability to consistently produce fruits as well as a high ratio of healthy

fruits (sellable).

The marketing strategy will have the objective of raising awareness and visibility of their industryleading

percentages of fruits.

Willow way farm will become a stable supplier to the larger companies that need a steady supply

stream. Willow way farm has a competitive edge:

Healthy Fruits

The healthier seed, the faster the it will grow, the more fruits that can be extracted from it. This

means an increase in production efficiency due to a larger percentage of fruits that are sellable.

Other characteristics of healthy fruits which are important on the production side is: lower pest

counts, more established root structures.

**TARIFF AND IMPORT RESTRICTIONS**

Forex restriction on importation of food or agricultural products will favor this Business idea plan

**MARKET POTENTIAL**

The major fruits produced in Nigeria include mango, pineapple, plantain/banana, citrus, guava,

pawpaw, while vegetables include onion, tomato, okra, pepper, amaranthus, carrot, melon,

Corchorus olitorus (ewedu), Hibiscus sabdariffa (sobo), Adansonia digtata (baobab leaves) etc. In

Nigeria, enormous quantities of fruits and vegetables are produced and staggering figures are

sometimes given as estimated annual production .Fruits and vegetables play a very important role in

the nutrition and health especially as they contain substances which regulate or stimulate digestion,

act as laxatives or diuretics, pectins and phenoic compounds which play a part in regulating the pH

of the intestines. Fruits and vegetables also contribute to the income of both the rural and urban

dweller. The industrial potential of many fruits and vegetables available in Nigeria is enormous.

What Nigerians need to do is embark on massive production of these fruits and vegetables not only

for their high nutritive value but for enhancing the establishment of many processing industries. The

development of their industrial uses will stimulate large scale production of the crops and enhanced

diversification of entrepreneur to site processing plants in the rural areas which will improve the

quality of life of the rural population and reduce the rate of rural-urban migration Fruits and

vegetable production in Nigeria is a serious business because it provides a means of livelihood for

some people and also play an important role in the improvement of the health of Nigerians.

**PROFITABILITY**

Growth will be slow but steady. Growth will be slow because of the time and effort needed to

develop the customers. Production is not the slowing element as Willow way farm has been in

production for a couple of years. Granted they were not producing at the same level, or for that

matter with the same goal of business efficiency, but nonetheless they will be able to reasonably

raise production to meet the sales needs. Harvest can be done two times a year because they fruit

more from June-September and less from December-February.

There are a few risks that could have a negative impact on sales. The first is weather. Fruits are

dependent on the weather. A poor growing season will have a serious effect on production. This risk

is spread amongst all of the producers of the specific region meaning the weather risk is imposed on

everyone, generally not a specific farmer. Another risk that could effect sales is some sort of pest

that could unexpectedly negatively effect the seeds. However, Willow way farm is able to reduce

this risk to the nearest minimum in order to yield profit. Technical, scientific and financial based

solutions will be employed to reduce risks and have efficient High production.

**TECHNICAL FEASIBILITY**

The project which is the production fruits as well as extraction of juice for fruit juice is

technically feasible.

The project which is the production fruits as well as extraction of juice for fruit juice are

technically feasible. The needed equipments for juice extraction is readily available. Plus, we have

Mrs Rakiya in our management team with over 10 years of experience to monitor the process. Mrs

Rakiya also has the skill and experience to properly manage the equipment and knows about the

usage of this equipment to produce sweet and juicy fruit juice to the customers. On the fruit

production, the 10 acre land of Willow way farm is suitable for this production. The fruit goes

through some stages which will explained further below : Fruits contain seeds and develop from the

ovaries of flowering plants. The first step in making fruits is pollination. Fruit trees and plants

produce flowers. Then, bees, bats, birds, and even the wind spread pollen from one flower to

another.

This sets off the second step, the process of fertilization, which results in a fertilized seed contained

within the flower's ovary. Once this happens, the petals of the flower will fall away, leaving an

immature fruit that begins to grow.

Inside the ovary, the seed produces hormones that cause the cells of the ovary wall to multiply,

expand, and thicken. Over the growing season, the "mother" plant receives sunlight, water, and

nutrients from the soil to keep growing, helping the immature fruit to continue growing larger.

Eventually, the fruit will release a hormone called ethylene that signals the ripening process.

Ethylene causes enzymes to be released that make the fruit change colors and become softer,

sweeter, and delicious to eat! We have specialists in our management team to oversee this whole

process.

The major competitors include farms similar in size to the Willow way farm as well as the mega

farms. A farm similar to the Willow way farm is the Bounty farm which produces over 50 fruits in a

production cycle and the Lucky Fiber farm which produces over 200 fruits in a production cycle.

Willow way farm, however, will target a market niche and make our farm known to a wide range of

audience using various distribution channels. We are therefore implementing our project

considering the environment and other materials that will be used during the farming exercise.

Environmental impact Assessment report shows little or no risk for panic.

**GOVERNMENT SUPPORT AND REGULATION**

In Nigeria, enormous quantities of fruits and vegetables are produced and staggering figures

are sometimes given as estimated annual production .Fruits and vegetables play a very important

role in the nutrition and health especially as they contain substances which regulate or stimulate

digestion, act as laxatives or diuretics, pectins and phenoic compounds which play a part in

regulating the pH of the intestines. Fruits and vegetables also contribute to the income of both the

rural and urban dweller. The industrial potential of many fruits and vegetables available in Nigeria is

enormous. The development of their industrial uses will stimulate large scale production of the

crops and enhanced diversification of entrepreneur to site processing plants in the rural areas which

will improve the quality of life of the rural population and reduce the rate of rural- urban migration

Fruits and vegetable production in Nigeria is a serious business because it provides a means of

livelihood for some people and also play an important role in the improvement of the health of

Nigerians. Fruits and vegetables also contribute to the income of both the rural and urban dwellers.

Horticultural crop production creates jobs. On average it provides twice the amount of employment

per hectare of production compared to cereal crop production. The move from cereal production

towards high-value horticulture crops is an important contributor to employment opportunities.

Most importantly, contribute to the income of the farmers which gives it a total support from the

government.

**PROJECT TIMELINE**

This project will last for a period of five months between June 2020 September 2020because

fruits grow more during this season.

**ESTIMATED COST AND REVENUE**

(A) Land clearing for 10 acres of land is 500,000 Naira

(B) Machine for ploughing would cost 80,000 Naira

=580,000 Naira

**EQUIPMENT**

Compact spreader(2) 300,000 Naira

Tractor(1) 1,856,000 Naira

Shovels(5) 30,000 Naira

Rakes(5) 15,000 Naira

Hoes(5) 20,000 Naira

Picks(6) 400,000 Naira

Sorting machines(2) 856,000 Naira

Pruning towers(1) 800,000 Naira

Irrigation system 1,000,000 Naira

= 5,277,000 Naira

**Vehicle type**

Toyota Pick up truck(2) 25,000,000

**Irrigation**

Drip irrigation 1,000,000

**Operating cost**

Ploughing. 15,000 Naira

Planting of seeds. 10,000 Naira

Loan principal and interest 250,000 Naira

Interest per acre. 200,000 Naira

Area yield insurance 20,000 Naira

= 495,000 Naira

**Amortization**

Land clearing per acre. 50,000 Naira

Land clearing for 10 acres 500,000 Naira

**REVENUE**

Revenue per acre. 700,000 Naira

Revenue for 10 acres. 7,000,000Naira

Net Revenue for 10 acres without amortization 20,000,000

Net Revenue with amortization. 18,000,000

**2nd production cycle**

Net Revenue. 18,000,000

1st + 2nd cycle.

=63,700,000 Naira

**FUNDING MECHANISM**

Willow way farm will provide a handful and over 50 fruits in a production cycle. And will also

provide a cleared farmland of 10 acres of land and lease it to the cooperative. Equity investor to also

provide equipments, vehicles, sorting machines, etc. they will also secure loan at the rate of 12%

through the intervention of the government at agricultural Banks, Commercial banks and other

banks that give out loans.

**CONCLUSION**

The project is highly recommended for funding. It is technically feasible and commercially viable.