Name: Chidera Madumere

Matric No: 18/law01/143

Course: Afe 202 (Agriculture Science and food production)

Question: Create a business plan

**A FEASIBILITY REPORT/ BUSINESS PLAN FOR THE DEVELOPMENT OF A TWO HUNDRED HECTARES MAIZE PLANTATION AND ESTABLISHMENT OF 30 TONNES PER DAY CAPACITY CANNED MAIZE INDUSTRY AT TENDER YEARS FARM, MINNA NIGER, NIGERIA BY AVERY PRODUCTION LIMITED AND CORPORATION CONFIDENTIALITY AGREEMENT.**

The undersigned reader acknowledges that the information provided in this business plan is confidential intellectual property; therefore the reader agrees not to disclose it to a third party without the express written permission of the promoters of the proposed business.

It is acknowledged by the reader that information furnished in this business plan is in all aspect confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by the reader, may cause serious harm or damage to the promoters of the proposed business.

Upon request, this document is to be immediately returned to the promoters of the proposed business.

Signature:

Name:

Date:

**Executive summary/ Project Description**

This business plan examines the feasibility of and indeed economic viability of the development of 200 hectares maize plantation and the establishment of canned maize industry in Minna by Tender Years Farm and Avery Production Limited. The farm will produce about 1,090 tons of maize in a production cycle. The canned maize industry will process about 3000 tons of maize into edible canned maize. The leaders in this crop production are Niger, Taraba, Kaduna, Adamawa and Plateau states. Nigeria imports a significant amount of Maize from Ukraine, the United States, and other countries. And it is derivatives to augment domestic shortages.

The proposed project will create economic opportunities, provide job opportunities for the locals, and help to reduce the importation of maize and canned maize from foreign countries, thereby, conserving revenue for the government. The entire maize that is to be processed will be home grown by the Farmers Association in Niger State. The project will create market access, improve income of farmers and contribute to food security.

**Sponsorship**

The project is sponsored by Ene Peter is a distinguish business woman and the CEO of the Morell Green Enterprise and a well-known Farmer Association Activist. Ene Peter has always stood by the views of home grown agricultural crops and rejected the idea of Nigeria importing crops that can be harvested inbound by able farmers. Avery Production Limited and Corporation will be responsible for the management consultancy of the projects.

**Management**

The management will comprise of a Board of Directors consisting of shareholders and other members of the corporative who have state in the survival and growth of this business. The main obligation of the board will be to give orderly directions and policies that will ensure long success of the organization. The board will ensure that the organization comply with all standards set by regulatory authorities.

The CEO shall be responsible for the co-ordination of the day to day management of the cooperative business. He is accountable to the Board of Directors; he will mobilize organization resources to achieve set goals. He will manage business risks and focus on wealth creation.

**Market and Sales**

Market orientation: domestic; South South and South East, Nigeria

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

Users of Products: maize for livestock feed and human consuming and edible canned maize for human consumption.

**Market Potential**

There is a strong demand for Maize in the Southern part of Nigeria, and my company is ready to supply to these people.

**Competition Analysis**

Until recent years, the bulk of the maize grain produced in Nigeria was from her Southwest zone. Ogundode and Olokojo reported that Western Nigeria generally produces about 50% of Nigeria’s green maize, the remaining 50% being split between the North and the East. Based on this, competition in the North is non-existence.

**Profitability**

Weather, biological, chemical, physical and environmental factors such as temperature, sunlight, water, air, soil condition, varieties of seed, pests, disease, price fluctuations and other risks e.g. cow invading the farm could affect yield and profitability. However, technical, scientific and financial based solution will be employed to hedge against risks and safeguard profit.

**Technical Feasibility**

The projects are technically feasible. In terms of technology, which involves the harvesting of the maize and the canning of the maize, the industrial processes are simple and a specialist in canning maize and making them edible with more than 15 years’ experience is part of our team. The needed equipment for harvesting and canning the maize are readily available and our experts have hand on experience in the usage and maintenance of the equipment.

We are implementing our project using best international practices, sustainable production and due consideration for the environment. Although some degree of deforestation will occur, the EIA (Environment Impact Assessment) report shows little or no damage to the environment as it relates to the issue of climate change. Organic fertilizer will be substituted for chemical fertilizer within three years of farm operations.

**Government Support and Regulation**

The project conforms to the economic diversification objective of the government. It also supports foreign exchange and import reduction conservation of government. It creates economic opportunities, market access, and improved income for farmers and support food security objective of government. The project will benefit from government intervention fund in the agriculture sector. The project will also benefit from the favourable policy of zero duty for agricultural and equipment import. Restriction of forex for all food products will also widen market opportunity. The project will contribute significantly to employment, output increase, stable price and stable exchange rate.

**Project Timeline**

The project will be completed within 9 months preferably within July, 2020 to February 2021.

**Estimated Project Costs and Revenue Fixed Cost**

(A) Land Clearing

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity** | **Quantity** | **N** | **K** |
| Land Clearing | 2 Hectares | 200,000 | 00 |
| Cross Cutting | 2 Hectares | 25,000 | 00 |
| Rome ploughing | 2 Hectares | 55,000 | 00 |
| **Sub Total** | 2 Hectares | 280,000 | 00 |
| **Total** | 800 Hectares | 224,000,000 | 00 |

(B) Equipment

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name** | **Quantity** | **Model** | **USD** | **N** | **K** |
| Tractor | 1 | BTZ-904(100hp) | 26,450 | 9,000,450 | 00 |
| Disc harrow | 1 | GHW-3.0 | 4,500 | 2,340,000 | 00 |
| Sub soiler | 1 | OG-250G | 4,500 | 2,340,000 | 00 |
| Soy seeder | 1 | 2YTK-4B | 2,800 | 1,980,000 | 00 |
| Tripper | 1 | 5FX-8P | 10,000 | 4,000,000 | 00 |
| Harvester | 1 | 5TZ-5 | 103,500 | 37,260,000 | 00 |
| Boom sprayer | 1 | 3L-3000G-17 | 7,450 | 3,502,000 | 00 |
| Front loader | 1 | TZ10D | 7,300 | 3,450,000 | 00 |
| Sub Total |  |  | 166,500 | 63,872,450 | 00 |

(C) Vehicle

|  |  |  |  |
| --- | --- | --- | --- |
| **Type** | **Model** | **Quantity** | N |
| Pick Up Truck | Hilux | 3 | 60,000,000 |

(D) Irrigation

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Type** | **Quantity** | **Model** | **USD** | **N** |
| Hose Reel | 1 | 140-440MT | 28,186 | 1,146,960 |

**OPERATING COST**

|  |  |  |
| --- | --- | --- |
| **Working Place** | **N** | **K** |
| Ploughing/Ha | 15,000 |  |
| Harrowing/Ha | 10,000 | 00 |
| Sub total | 25,000 | 00 |
| For 800Ha | 20,000,000 | 00 |
| Mechanization and storage | 105,000 | 00 |
| For 800Ha | 84,000,000 | 00 |
| Input/Ha | 91,825 | 00 |
| For 800Ha | 73,460,000 | 00 |
| Area yield insurance | 13,500 | 00 |
| Produce aggregation | 5,500 | 00 |
| Geo Spatial Service | 4,500 | 00 |
| Sub total | 23,500 | 00 |
| For 800Ha | 18,800,00 | 00 |
| Interest per hectare | 22,079 | 25 |
| For 800Ha | 17,663,200 | 00 |
| Total cost per hectare | 245,325 | 00 |
| Total cost for 800Ha | 196,260,000 | 00 |
| Loan principle and interest (cost per Hectare) | 267,404 | 25 |
| Total For 800Ha | 106,961,700 | 00 |

**Amortization**

|  |  |
| --- | --- |
|  | N |
| Land clearing amortization (per hectare) | 30,000 |
| Land clearing amortization (800hectare) | 24,000,000 |

**Revenue**

|  |  |
| --- | --- |
| **Yield per hectare 3 tons @ N145000 per ton** | **N** |
| Revenue per hectare | **435,000** |
| For 800Ha | 348,000,000 |
| Net revenue for 800Ha (without amortization) | 67,038,300 |
| Net revenue with amortization (800Ha clearing) | 55,038,300 |
| 2nd Production Cycle |  |
| Net Revenue | 43,020,180 |
| Net revenue with amortization (800Ha land) |  |
| Annual Net Revenue (1st + 2nd Cycle) | 98,058,480 |

**Funding Mechanism**

Morell Green Enterprise will provide 800Ha of cleared farmland and lease it to members of the cooperative

Farmers Association will also lease 5,000MT capacity as a contribution. Equity investor to provide equity for equipment and vehicles purchase.

**Conclusion**

In conclusion, this project is technically feasible and commercially viable. It is therefore recommended for funding.