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**MATRIC NO: 18/LAW01/034**

**COURSE TITLE: AGRICULTURAL SCIENCE AND FOOD SECURITY (AFE 202)**

**ASSIGNMENT TITILE:** BUSINESS PLAN FOR THE DEVELOPMENT OF A 200 HECTARES PLANTAIN PLANTATION AND ESTABLISHMENT OF 2000 PACKS PER DAY CAPACITY PLANTAIN CHIPS FACTORY AT ELVIS LEWIS FARM, ASABA, DELTA STATE, NIGERIA BY COLCHUK AGRIBUSINESS VENTURES AND CONSULTANCY CONFIDENTIALITY AGREEMENT

**CONFIDENTIALITY CLAUSE**

The undersigned reader acknowledges that the information provided in this business plan is a 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 respect 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:

1. **Executive Summary/Project Description**:

This business plan examines the feasibility and economic viability of the development of a 200hectares plantain plantation and the establishment of a plantain chips factory in Asaba by Aliyu and Aliyu Cooperative Society Limited. The farm will produce about 1000 Bunches of Plantain in a production cycle. Some of the Plantain will be sold across all markets in Delta State. The other plantain will be taken to the plantain chips factory where it will be processed into edible plantain chips. The plantain chips will be well packaged at the factory and taken to Ladela Secondary School where it will be sold to students. It will also be sold to other wholesalers and retailers who will sell to their final consumers. Finally, it will be given to hawkers who work for the plantain chips factory to sell in different locations on a daily basis.

The proposed project will create economic opportunities, reduce poverty, impact positively on the people’s nutrition and help reduce the rate of import for such snacks. The plantain to be processed into plantain chips will be sourced locally through direct production, contract farming in Delta State and direct purchase from traders. The project will create market access, improve income of traders and hawkers and contribute significantly to food security. It will also generate satisfactory returns for sponsors and investors.

1. **Sponsorship:**

The project is sponsored by Aliyu Quadri, a successful entrepreneur, an educationist and the Proprietor of Ladela Secondary School, Asaba, Delta State. Aliyu Quadri is promoting the productivity of smallholder farmers in Delta State through the Farmer’s Cooperative Limited. Colchuk Agribusiness Ventures & Consultancy will be responsible for the management consultancy of the projects.

1. **Management:**

The management will comprise of a democratically elected Board of Directors at the apex of the organization structure. This will be made up of shareholders and member of the cooperative who have stake in the survival, growth and profitability of the business as well as distinguished agribusiness professionals of proven integrity and vast experience in the project area. The prime objective of the board will be to give strategic directions and policies that will ensure long term success of the organization. The board will ensure that the organization complied with all standards set by regulatory authorities.

The Managing Director/President 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.

1. **Technical Assistance:**

The plantain chips factory shall constitute some equipment which shall facilitate production. These include the plantain slicer, bowls, sieve, cooker, weighing scale, plain nylon and many more.

There shall also be staff working at the factory to help facilitate the production and distribution process.

1. **Sales and Markets:**

Market orientation: domestic; South West & South East, Nigeria

Market Share: 5% niche market in South West, South East Nigeria

Users of Products: the plantain chips will be consumed by humans and may also be used as animal snacks

1. **Technical Feasibility:**

The projects (production of plantain and plantain chips) are technically feasible. In terms of technology, which involves slicing of the plantain, sieving it, frying it and packaging it. The industrial processes are simple and farmers with high experience in harvesting plantain will be employed.

For the plantain production, we have specialists in mechanization, irrigation, farm management, crop production, weed science, market development, agric extension and accounting as part of our management team. We also have specialists in quality control as part of our management team. The state of infrastructure around Asaba is adequate and suitable for the location of the farm/firm for efficient production, processing and marketing. Raw materials will be produced and sourced locally.

1. **Government Support and Regulation:**

The project conforms with the economic diversification objective of the government. It creates economic opportunities, market access, 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 favorable policy of zero duty for agricultural and equipment import. Restriction of foreign exchange for all food products will also widen market opportunity. The project will contribute significantly to employment, output increase, stable price and stable exchange rate.

1. **Project Timeline:**

This project will be completed within 2 months (May 2020 – July 2020).

1. **Estimated Costs and Revenue:**

**Fixed Costs**

1. **Land Clearing**

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity** | **QTY** | **₦** | **K** |
| Land Clearing | 1Hectare | 230,000 | 00 |
| Cross cutting | 1Hectare | 20,000 | 00 |
| Rome ploughing | 1Hectare | 50,000 | 00 |
| **Sub total** | 1Hectare | **300,000** | **00** |
| **Total** | 200 Hectare | **60,000,000** | **00** |

1. **Equipment**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name** | **QTY** |  | **USD** | **₦** | **K** |
| Plantain slicer | 100 |  | 1,250 | 500,000 | 00 |
| Bowl | 200 |  | 150 | 60,000 | 00 |
| Sieve | 200 |  | 200 | 80,000 | 00 |
| Cooker | 15 |  | 1,250 | 500,000 | 00 |
| Frying Pan | 50 |  | 250 | 100,000 | 00 |
| Weighing scale | 100 |  | 500 | 200,000 | 00 |
| Plain Nylon | 2000 |  | 250 | 100,000 | 00 |
| Nylon sealing machine | 2 |  | 750 | 300,000 | 00 |
| **Sub total** |  |  | **4,600** | **1,840,000** | **00** |

1. **Vehicle**

**Type Model QTY ₦ K**

|  |  |  |  |
| --- | --- | --- | --- |
| **Pick up Truck** | **HILUX** | **2** | **30,000,000 : 00** |

1. **Irrigation**

**Type QTY Model USD ₦ K**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Hose Reel** | **1** | **140 – 440MT** | **28,186** | **1,0146,960 : 00** |

1. **Operation Costs**

|  |  |  |
| --- | --- | --- |
| **Working Capital** |  |  |
|  | **₦** | **K** |
| Ploughing/Ha | 15,000 | 00 |
| Harrowing/Ha | 10,000 | 00 |
| Sub total | 25,000 | 00 |
| **For 200 Ha** | **5,000,000** | **00** |
| Mechanization and storage | 105,000 | 00 |
| **For 200Ha** | **21,000,000** | **00** |
| Input / Ha | 91,825 | 00 |
| **For 200Ha** | **18,365,000** | **00** |
| Area yield insurance | 13,500 | 00 |
| Produce aggregation | 5,500 | 00 |
| Geo Spatial Service | 4,500 | 00 |
| Sub total | 23,500 | 00 |
| **For 200Ha** | **4,700,000** | **00** |
| Interest per hectare | 22,079 | 25 |
| **For 200Ha** | **4,415,800** | **00** |
| Total cost per hectare | 245,325 | 00 |
| **Total cost for 200Ha** | **49,065,000** | **00** |
| Loan principal and interest (cost per Hectare) | 267,404 | 25 |
| **Total for 200Ha** | **53,480,800** | **00** |
| **Irrigation cost for 400Ha (excluding fixed cost)** | **24,018,120** | **00** |

**REVENUE**

|  |  |
| --- | --- |
|  |  |
| **1st production cycle** | **₦ K** |
| **Revenue per hectare** | **435,000 : 00** |
| **For 200Ha** | **87,000,000 : 00** |
|  |  |
| **Net revenue** | **27,519,150 : 00** |
| **2nd Production Cycle** |  |
| **Net revenue** | **21,510,090 : 00** |
|  |  |
| **Annual Net Revenue ( 1st + 2nd Cycle)** | **49,029,240 : 00** |

**Currency conversion rate:₦400.00 to 1USD**

1. **Funding Mechanism**

All sorts of funding for this proposed business shall be handled by Elvis Lewis who is the Sole Proprietor of the business.

1. **Conclusion**

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