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# MATRIC NUMBER ;18/MHS02/157

# COURSE; AFE202

# DEPARTEMENT; NURSING DEPARTMENT

## EXECUTIVE SUMMARY/ PROJECT DESCRIPTION

This business plan examines the feasibility of an economic viability of the development of a 800hecteres rice plantation and the establishment of rice extraction in ekiti state by afe babalola university and afe babalola farmers cooperative society limited which might be 1000 youths from ekiti state. The farm will produce about 8.02million metric tones of rice in a production cycle there are high demand for these product because of the lockdown, our huge population, production is currently popular in benue, kebbi ,jigawa and kano in Nigeria imports large amount/quantity of rice .this project will create market access improve income of farmers ,reduce the large importation of foreign rice and contribute to food security.

## SPONSORSHIP

The project is sponsored by Aare afe babalola the founder of afe babalola university.he is increasing the productivity of small holder farmers in ekiti state through afe babalola cooperative limited, the university has a department of agriculture and experts with many years of experience in the project being proposed .africarice and IITA(institutional institute of tropical agriculture) will be responsible for the management consultancy of the project management.

## MANAGEMENT

 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 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.

## TECHNICAL PARTNERS

The university has working relationship with IITA (International Institute of Tropical Agriculture, Ibadan) through an executed MOU ,IFAD(international fund for agriculture development), africarice and NAN(news agency of Nigeria). . The University also has a working relationship with BOA (Bank of Agriculture) and we are collaborating on Aare Afe Babalola Annual Agric Expo where the founder appreciate Ekiti Farmers through monetary award to the best 3farmers in each local government area of the 16 L.G.A in Ekiti State and the overall best farmer in the state.

## MARKET AND SALES

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

Market Share: 37% niche market in South, West, South and East Nigeria

Users of Product; milling process of rice determines nutrition in humans ,cooking and sensory quality of crude rice.

## TECHNICAL FEASIBILITY

The project(production of rice and rice crude is technically feasible. The supply gap for good quality milled rice creates a significant business opportunity for milling and this report explains the viability of setting up of a 20000tones capacity rice mill in lagos state. local rice cultivation is largely by small holder farmers .Nigeria is west Africa’s largest producer and consumer of rice ,producing an average of 3.2million tons of paddy rice for over 5yrs .however local demand for rice far overweights local production and the nation is forced to rely on massive importation to bridge the gap

## GOVERNMENT SUPPORT AND REGULATORY POLICIES

The project conform with the economic diversification objective of the government. It also supports foreign exchange and import reduction conservation of government. It creates economic opportunities, market access, improved income for farmers and support food security objective of government.

## PROJECT IMPLEMENTATION TIMELINE

 The project will be completed within 8months preferably between JANUARY 2020 to AUGUST, 2020 because land clearing is mostly done in the dry season.

## PROJECT COST AND AVENUE ESTIMATE

## PROJECT COST

|  |  |  |
| --- | --- | --- |
| **WORKING CAPITAL** |  **₦**  | **K** |
| Ploughing/Ha |  20,000  | 00 |
| Harrowing/Ha  |  16,000  | 00 |
| Sub total  |  36,000 | 00 |
| **For 800 Ha** |  **30,000,000**  |  **00** |
| Mechanization and storage |  210,000  |  00 |
| **For 800Ha** |  **50,000,000** |  **00** |
| Input / Ha  |  70,825 |  00 |
| **For 800Ha** |  **50,730,000** |  **00** |
| Area yield insurance |  20,500 |  00 |
| Produce aggregation |  10,500 | 00 |
| Geo Spatial Service |  15,500 |  00 |
| Sub total  |  55,500 |  00 |
| **For 800Ha** |  **9,400,000** |  **00**  |
| Interest per hectare |  29,000 |  00 |
| **For 800Ha** |  **10,000,000**  |  **00**  |
| Total cost per hectare |  260,850 |  00 |
| **Total cost for 800Ha** |  **123,130,000**  | **00** |
| Loan principal and interest (cost per Hectare) |  267,404 | 25 |
| **Total for 800Ha** |  **110,561,700** |  **00**  |
| **Irrigation cost for 800Ha (excluding fixed cost)** |  **50,200,000** | **00** |

 **REVENUE**

|  |  |
| --- | --- |
| **Yield per hectare 5tonnes@ ₦180000 per tone** |  |
|  |  **₦ K** |
| **Revenue per hectare** |  **750,000 : 00**  |
| **For 800Ha** |  **200,000,000 : 00** |
| **Net revenue for 800Ha(without amortization)** |  **80,500,000 : 00** |
| **Net revenue with amortization(400ha clearing)** |  **70,330,300 : 00** |
| **2nd Production Cycle** |  |
| **Net revenue** |  **60,250,180 : 00** |
| **Net revenue with amortization(400ha land)** |  |
| **Annual Net Revenue ( 1st + 2nd Cycle)**  |  **120,058,480 : 00**  |

**Currency conversion rate:₦360.00 to USD**

**FUNDING MECHANISM**

ABUAD will provide 800Ha of cleared farmland around the university and lease it to members of the cooperative.

## CONCLUSION

This project is technically feasible, It also supports foreign exchange and import reduction conservation of government.