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A BUSINESS PLAN FOR THE DEVELOPMENT OF AN OIL PALM PLANTATION AT APRIL'S FARMS IN LEKKI-AJAH, LAGOS STATE, NIGERIA BY SPRING CONFIDENTIALITYAGREEMENT.

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: Ajibade Opeyemi Melody

Date: 14th April 2020

CONTENTS

1. Executive Summary

2. Sponsorship, Management and Technical Assistance

3. Market and Sales

4. Technical Feasibility, Resources and Environment

5. Government Support and Regulation

6. Timelines of Projects

7. Estimated Project Cost and Revenue

8. Funding Mechanism

9. Conclusion

Executive Summary

The business plan examines the feasibility and economic value of a 600 hectare of oil palm plantation. The enterprise will produce palm kernel oil from the seed and in addition it will also produce margarine and bread. Production is common mainly in the South-Eastern part of the country

Sponsorship

The project is sponsored by Engr. Gbenga Ajisafe , a legal luminary and founder of CTURA Farms is promoting the productivity of smallholder farmers in Lagos, as well as other south eastern states in the country.

Management

The management will comprise the founder and member of the cooperative who have stake in the survival, growth and profitability of the business. The prime objective of the members will be to give strategic directions and policies that will ensure long term success of the enterprise.

Technical Assistance

The enterprise has a relationship with Milton's Farm in Abuja and they produce pharmaceuticals and margarine from their oil palm trees and have agreed to aid in the building of this enterprise.

Market and Sales

Market orientation: domestic; All over the country,Nigeria.

Market Share: 10% niche market in South Eastern Nigeria

Users of Products: edible oil for cooking, palm kernel oil for ice cream and bread and pharmaceuticals industries in the South East.

Competition analysis

The only places where significant production takes place is in South West, Nigeria was in Ondo state and Osun state and based on the analysis, competition in terms of production in South West, Nigeria is non-existent.

Tariff and Import Restriction

Forex restriction on food importation and zero duty on imported agricultural equipment will favour the project under consideration.

Market Potential

There is strong demand for oil palm in the South East of Nigeria. The state of infrastructure though not perfect still supports production and trade within Nigeria.

Profitability

Weather, biological, chemical, physical and environmental factors such as temperature, sunlight, water, diseases, g, price fluctuations and other risks . However, technical, scientific and financial based solutions will be employed to hedge against risks and safeguard profit.

Technical Feasibility

The project is technically feasible. The needed equipment for the growth of the oil pal and for the oil extraction are readily available and our experts have hand on experience in the usage and maintenanace of the equipment.

Government Support and Regulation

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. 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 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 5 months preferably between June, 2020 to October, 2020.

Estimated Project Costs and Revenue

Fixed Cost

* Land Clearing

Activity | QTY | # | K

Land clearing | 600 sqkm | 250,000 | 00

Total | 600 sqkm | 250,000 | 00

* Equipment

Name. | QTY | #. | K

Watering hose | 150 | 100,000 | 00

Pumping machines | 10 | 200,000| 00

* Vehicle

Type | Model | QTY | # | K

Pickup truck | Hilux | 5 | 20,000,000 | 0

Amortization

Land clearing amortization (600 sqkm) | 100,00 : 00

Revenue

Yield per hectare

Revenue per hectare | 300,000 :00

2nd production cycle

Net Revenue | 40,000 :00

Net revenue with amortization

Annual net revenue ( 1st + 2nd cycle) | 100,000 :00

Funding Mechanism

will provide 600Ha of cleared farmland around the hectare of land and lease it to members of the cooperative. will also lease 8,000MT capacity silo as equity contribution

Equity investor to provide equity for equipment and vehicles purchase

Where possible equity investor to provide equity for working capital or otherwise secure loan at the rate of 10% through government intervention window at the Bank of Agriculture, Bank of Industry and Commercial banks.

Conclusion

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