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BUSINESS PLAN FOR THE DEVELOPMENT OF A VEGETABLE FARM AT IBUKUN FARMS, AT EPE LAGOS BY ADO AGRICULTURE- CONFIDENTIALITY AGREEMENT

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

Signature:

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Project Description

The business plan examines the feasibility and economic value of a 300 sqkm fruit market in Epe Lagos, by Ibukun Farms. The vegetable farm will sell potatoes, tomatoes, peppers, and much more. Production is already popular in the northeastern parts of the country.

Sponsorship

The project is sponsored by Trust Davies , a legal luminary and founder of Green Go. Davies is promoting the productivity of smallholder farmers in the Lagos, as well as other northern 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.

Technical Assistance

The Farm has a relationship with ABC Farmers in Lagos. AmBC Famers breed hybrid fruits and vegetables, they have agreed to assist in building, as well as supplying hybrid seedlings.

Market and Sales

Market orientation: domestic; All over Nigeria

Market Share: 5% niche market in Sothern Nigeria

Users of Products:

Competition analysis

The only places where significant production takes place is in Southern Nigeria.

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 vegetables in Southern 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

In terms of technology, not much is required for growing vegetables.

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 3months preferably between July , 2020 to September 2020.

7.0 Estimated Project Costs and Revenue

Fixed Cost

1. Land Clearing

Activity | QTY | # | K

Land clearing | 300 sqkm | 100,000 | 00

Total | 300 sqkm | 100,000 | 00

1. Equipment

Name. | QTY | #. | K

Watering hose | 100 | 75,000 | 00

Pumping machines | 5 | 150,000| 00

1. Vehicle

Type | Model | QTY | # | K

Pickup truck | Hilux | 2 | 10,000,000 | 0

Amortization

Land clearing amortization (300 sqkm) | 100,00 : 00

Revenue

Yield per hectare

Revenue per hectare | 250,000 :00

2nd production cycle

Net Revenue | 33,000 :00

Net revenue with amortization

Annual net revenue ( 1st + 2nd cycle) | 87,000 :00

Funding Mechanism

will provide 400Ha of cleared farmland around the university and lease it to members of the cooperative. will also lease 6,000MT 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 9% 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.