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MATRIC NO: 18/LAW01/146

LEVEL: 200 COLLEGE: LAW

ASSIGNMENT: Prepare a business plan on a chosen agricultural enterprise following the guideline in the note.

**EXECUTIVE SUMMARY/PROJECT DESCRIPTION**

Cassava is the starchy tuberous root of a tropical tree used as food in tropical countries. It originated from tropical America and was first introduced into Africa in the Congo basin by the Portuguese around 1558. It is rich in carbohydrates, calcium, vitamins B and C and essential minerals. Worldwide, 800 million people depend on cassava as their primary food staple especially in Sub-Saharan Africa, South America and some parts of Asia. Cassava is known to be the third largest source of food carbohydrates in the tropics after rice and maize. Cassava is indeed a major staple food in Africa providing basic food for over five million people. It is one of the most drought tolerant crops capable of growing on marginal soils. Nigeria is the world’s largest producer of cassava while Thailand is the largest exporter of dried cassava.

David Cassava Farms is a registered commercial farm that will be based in Nigeria. A detailed market research and feasibility study has been done and we have been able to secure a well situated and suitable farm land to start our commercial cassava farm with 4 hectares already acquired at Odo-Ape Bunu, Kogi state. The commercial farm will be a standard farm involved in commercial cassava cultivation, laundry starch and animal feed production.

Plans have been put in place that will help us launch a standard cassava processing plant within the first four years of running David Cassava Farms. We will produce laundry starch and animal feeds and make sure that it floods the markets in Nigeria. We are in the commercial cassava farming business because we want to develop on the vast opportunities available in the commercial farming industry to contribute our quota in the Nigerian economy, in food production, raw materials production for industries and to export agricultural produce to other countries. This proposed business plan will create employment opportunities which will have a positive impact on people, economic opportunities and help conserve scarce foreign exchange. This plan could prove extremely useful in contributing to food security.

**SPONSORSHIP, MANAGEMENT AND TECHNICAL ASSISTANCE**

This business plan is being sponsored by the Bank of Agriculture through the Central Bank of Nigeria (CBN) Anchor Borrowers Programme. The Bank of Agriculture provides loans to support all parts of Agricultural Value Chain. David Cassava Farms will be in charge of hiring of management for the project. The management will comprise of the **Chief operating** **officer** in charge of implementing the organization’s vision and strategy, fixing prices and signing business deals and evaluates the success of the organization. The **General farm manager** will be responsible for the planning, management and coordinating of all farm activities across the various sections of the organization. He will also be responsible for the supervision of other section managers which are the Cassava cultivation manager, laundry starch and animal feed production manager. The **Administrator** will be responsible for training, evaluation and assessment of employees. He will also prepare financial reports, budgets and financial statements for the organization. The **Field workers** will work the farm land for cassava cultivation and take care of everything thing needed to be done for the cassava cultivation.

**MARKET AND SALES**

Market orientation: domestic; North Central and South West, Nigeria

Market share: 3% niche market in North Central, South West, Nigeria

Users of products: laundry starch and animal feed production

**COMPETITION ANALYSIS**

Nigeria has a cassava production figure of 37.5 million tonnes in 2010 and is acclaimed the world’s largest producer of cassava maintaining 19% of the global market share. However, cassava cultivation is largely for the traditional food market. Over 90% of cassava in Nigeria is cultivated by small-holder farmers. In Nigeria, cassava production is widespread across all regions of the country, the main states being Benue, Kogi and Taraba as of 2010 and are located in the South Western part of the country followed by the South Eastern and interior sections. Hence, competition may be fierce but we are prepared and properly equipped with latest farming materials and farmers with years of experience.

**MARKET POTENTIAL AND PROFITABILITY**

There is a high demand for cassava in Nigeria as cassava is the second most consumed product after rice. So the potential for it to sell is high. Constraints in cassava production include a wide range of technical, institutional and socioeconomic factors. These include pests and disease, agronomic problems, land degradation, shortage of planting materials and so on. A higher plant population will be used to compensate for those lost and chemical control measures will be implemented when necessary. Technical, financial and scientific solutions will be employed to hedge against risk and safeguard profits.

**TECHNICAL FEASIBILITY**

This business plan is technically feasible and in terms of technology, we have experts with experience of 15 years as part of the team. The equipments needed for cassava cultivation are readily available and our experts have hands on experience in its usage and maintenance. We also have experts in quality control as part of the management team. This project is being implemented using the best practices, efficient and effective production and due consideration for the environment.

**GOVERNMENT SUPPORT AND REGULATION**

This business plan conforms to the economic objectives and regulations of the government. It will create economic and employment opportunities, market access, substantial income for the farmers and support food security objective. The project will also produce increase profit and stable exchange rates and benefit from the support and funds from the Bank of Agriculture.

**PROJECT TIMELINE**

The project will be completed within 6 months between May to October 2020.

**ESTIMATED PROJECT COSTS AND REVENUE**

LAND CLEARING

Land clearing: 2 hectares 200,000 naira

Cross cutting: 1 hectares 30,000 naira

Rome ploughing: 1 hectares 40,000 naira

Total: 4 hectares 270,000 naira

EQUIPMENT

1 Tractor: Lovol tractor 19,700,000 naira

1 Disc harrow: 1bq-3.6 model 800,000 naira

1 Sub soiler: A-SS2 model 1,000,000 naira

1 Cassava planter: 382,000 naira

1 Front loader: TY10A 2,000,000 naira

2 Trucks: Toyota Tacoma 20,000,000 naira

1 Hose reel: 140-440MT model 1,136,400

Total: 45,018,400 naira

WORKING CAPITAL

Ploughing Ha: 20,000 naira

Harrowing Ha: 10,000 naira

Total: 30,000 naira

**For 4 Ha: 120,000 naira**

Area yield insurance: 14,000 naira

Produce aggregation; 5,000 naira

Geo spatial service: 4,000 naira

Total: 23,000 naira

**For 4 Ha: 92,000 naira**

Interest per hectare: 15,000 naira

**For 4 Ha: 60,000 naira**

Currency conversion rate: 390.00 naira to 1 USD

**FUNDING MECHANISM AND CONCLUSION**

David Cassava Farms has 4 hectares of farmland that is cleared and ready to be used. Funds will be produced from the support of the government and the Bank of Agriculture. This business plan is technically feasible and commercially viable, hence, it is recommended for funding. David Cassava Farms will make sure that the right foundation, structures and processes are put in place to ensure that our staff welfare is well taken care of. If this can be put in place, the workers will be more committed to help us build the business of our dreams.