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MATRIC NO: 18/ENG04/013

DEPARTMENT: ELECTRICAL/ELECTRONICS

ENGINEERING

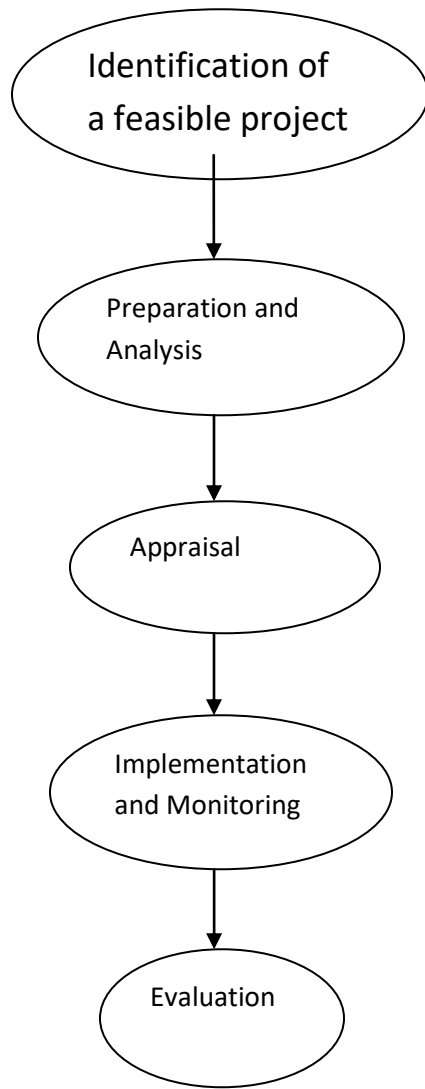
PROJECT SUMMARY: Prepare a business plan on a chosen agricultural enterprise following the guideline in the note. Spiral bind and submit upon resumption.

Minimum of five pages, times new roman size 12 with double spacing

COMPANY NAME: MELVIN AMADI RICE FARMS

COMPANY LOGO:





Project: Rice Farming

Rice is one of the most consumed carbohydrates in Nigeria today and it's a staple food across several major countries in the world today, examples being China, India, Indonesia, Vietnam, Thailand and others. Nigeria is the major importer and consumer of rice in Africa. We spend billions of naira a day for the importation of rice into the country. Due to the large amount of imported rice that the country receives, local production has become redundant and stunted.

What are the things we require for Rice farming?

Swamp nature land: Rice can grow on any type of land but the land that produces the best and most reliable results in rice crop production is swampy land. But farmers have to prepare the soil by tilling and some irrigation before the implantation commences.

Channels for irrigation: Dry regions cannot condone the growth of rice that is why swampy regions are ideal. Irrigation channels will need to be built to ensure proper soil texture for the adequate growth of the crop.

Selection of rice seeds: it is paramount we ascertain healthy rice seeds, so growth can begin as they hit the soil. Selecting terrible seeds while farming is one of the major causes of low crop yield at the end of the season. The better the seeds, the more the harvest.

Provision for a hauling mill: After the 4months of growth and the rice looks ready to be harvested, hauling machines need to be bought to separate the haul from the grain. It is basically separation and blowing off of the haul.

Work force and experienced rice farmers: we can run this rice farm by attending seminars and reading about the growth online, but rice farmers will need to be employed for the practical aspects of running the farm.

STEP 2: FEASIBILITY STUDY

MELVIN AMADI'S RICE FARM		
Feasibility Study		
No	Task	Cost(Naira)
1	Plot of land	600,000.00
2	Tilling of land	200,000.00
3	Irrigation Channels	200,000.00
4	Rice seeds purchase	1,000,000.00
5	Rice solarisation	1,000,000.00
6	Miscellaneous Costs	2,000,000.00
	Total	4,000,000.00

If after the 4 month period, there are three batches of rice produced. Our farm should be able to produce up to 240 bags. A bag of rice in today's market is 25,000 naira. Hence $240 \times 25,000 = 6,000,000$. Harvesting is done 3 times a year hence $6,000,000 \times 3 = 18,000,000$. At the end of the year if we subtract the gain from the capital we get $18,000,000 - 4,000,000 = 14,000,000$. That's a 71% gain.

Executive Summary/ Project Description

We have purchased 6plots of land in the Ighere axis of Ekiti. Our rice plantation will produce 240 bags every four months giving us a 71% profit and a sum of 14,000,000 naira in our first year.

Sponsorship

The farm's primary sponsor is Diamond Bank in their agricultural sector.

Management

It is governed by a board of directors headed by the Chief Exec Officer and Founder.

Eng.Dr.Chief AMADI-DURU, Melvin and his family.

Technical Assistance

Our humble CEO owns an engineering and research company where we get our equipment and advice from to push forward in our project.

Marketing and Sales

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

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

Users of Products: Rice supplied all our the nation to our wholesalers.

Project timeline

Every batch of 240 comes out every 4 months. It goes on sale 3 times a year at the rate of 25,000 naira per bag.

Conclusion

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

STAGE 3: APPRAISAL

In this phase of the project, the project planning the optimal use of scarce resources by the proposed project intervention will be appraised by using the Cost Benefit Analysis method. CBA represents a framework where all project benefits and costs are identified, quantified, valued and compared against a range of optimality criteria. It can also be used as an after project evaluation.

Market Analysis

One of the common trends in the commercial rice farming line of business is that most players in the industry are no longer concentrating only on non – organic rice farming. They are now finding it easier to run both organic rice cultivation and non – organic rice cultivation. It is fact that despite that organic food are expensive, the sale for organic food is on the increase and it is indeed profitable.

In spite of the fact that commercial rice farming has been in existence since time immemorial, which does not in any way make the industry to be over saturated; commercial rice farmers are exploring new technology to continue to improve the cultivation processes and also rice processing and packaging processes; mechanized farming has indeed increased the tons of food produced by farmers. The fact that there is always a ready market for rice makes the business highly thriving and profitable.

Who is our target market?

It is a known fact that the target market of those who are the end consumer of rice in any form and also those who benefits from the business value chain of commercial rice farming industry is all encompassing; it is far – reaching.

Almost every household consumes rice. In essence, Melvin Amadi Rice Farms also runs a rice processing and packaging plant are able to sell her farm produce to as many people as possible including hotels, restaurants and dormitories.

Our competitive advantage

competitive advantage that we are bringing to the industry is the fact that we have designed our business in such a way that we will operate an all – round standard commercial rice farms that will be involved in the production of rice i.e. rice processing plant. With this, we will be able to take advantage of all the available opportunities within the industry.

What is our sales strategy?

We are quite aware that in order to expand our market scope, we should go beyond just rice cultivation to rice processing and packaging. In view of that, we decided to set up a standard rice processing plant to help us maximize profits.

Our employees will be trained every month and be updated frequently on the latest trends in rice growth. Below are the steps we intend to take:

- Introduce our business by sending introductory letters alongside our brochure to stake holders in the agriculture industry, rice merchants, hotels and restaurants and rice processing plants.

- Advertise our business in agriculture and food related magazines and websites

- List our commercial rice farms on yellow pages' ads
- Attend related agriculture and food expos, seminars, and business fairs et al
- Leverage on the internet to promote our business
- Engage in direct marketing
- Encourage the use of word of mouth marketing (referrals)

EQUIPMENT REQUIRED

- Tractor
- Soil cultivator
- Plough
- Harrow (e.g. Spike harrow, Drag harrow, Disk harrow)
- Stone / Rock / Debris removal implement (e.g. Destoner, Rock windrower / rock rake, Stone picker / picker)
- Broadcast seeder (alternatively: broadcast spreader, fertilizer spreader, or Air seeder)
- Planter
- Plastic mulch layer
- Transplanter

-Sprinkler system irrigation

-Mower

-Sickle

-Wheel Barrow

-Truck

STAGE 4: **Implementation/Monitoring**

The future of a business lies in the numbers of loyal customers that they have the capacity and competence of the employees, their investment strategy and the business structure. If all of these factors are missing from a business (company), then it won't be too long before the business close shop. One of our major goals of starting Melvin Amadi Rice Farms is to build a business that will survive off its own cash flow without the need for injecting finance from external sources once the business is officially running.

We know that one of the ways of gaining approval and winning customers over is to sell our farm produce (*processed and well – packaged organic and non – organic rice*) a little bit cheaper than what is obtainable in the market and we are well prepared to survive on lower profit margin for a while. As a matter of fact, profit-sharing arrangement will be made available to all our management staff and it will be based on their performance for a period of five years or more as determined by the management of the organization. We know that if that is put in place, we will

be able to successfully hire and retain the best hands we can get in the industry; they will be more committed to help us build the business of our dreams.

STAGE 5: Evaluation

- Business Name Availability Check: **Completed**
- Business Incorporation: **Completed**
- Opening of Corporate Bank Accounts various banks in the United States: **Completed**
- Application and Obtaining Tax Payer's ID: **In Progress**
- Application for business license and permit: **Completed**
- Purchase of All form of Insurance for the Business: **Completed**
- Leasing of farm land in Ighere-Ekiti: **Completed**
- Conducting Feasibility Studies: **Completed**
- Start – up Capital Generation: **Completed**
- Writing of Business Plan: **Completed**
- Drafting of Employee's Handbook: **Completed**
- Design of The Company's Logo: **Completed**
- Graphic Designs and Printing of Packaging Marketing / Promotional Materials:
Completed
- Recruitment of employees: **In Progress**
- Building /construction of cages and fence et al: **In Progress**
- Purchase of the needed working tools, machines and equipment: **Completed**
- Creating Official Website for the Company: **In Progress**
- Creating Awareness for the business (Business PR): **In Progress**
- Farm land Treatment, Health and Safety Arrangement: **In Progress**

