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**LEVEL: 200**

**COLLEGE: LAW**

**COURSE CODE: AFE 202**

## Project Timeline

The project will be completed within 10 months between March 2020 to December 2020.

## Estimated project Costs and Revenue

### Fixed Cost

#### A). Land Clearing

Activity	QTY	Naira	K
Land clearing	1 Hectare	250,000	00
Cross cutting	1 Hectare	40,000	00
Ploughing	1 Hectare	70,000	00
<b>Sub total</b>	<b>1 Hectare</b>	<b>360,000</b>	<b>00</b>
<b>Total</b>	<b>400 Hectare</b>	<b>150,000,000</b>	<b>00</b>

#### B). Equipment

Name	QTY	Model	USD	Naira	K
Tractor	1	HCZ-703	22,200	7,992,000	00
Disc harrow	1	GIG-5.0	3,250	1,170,000	00
Sub soiler	1	3JKL-8D	4,430	1,594,800	00
Soy seeder	1	IL-711E	8,750	3,150,000	00
Tripper	1	9LX-6T	102,950	37,062,000	00
Combine harvester	1	8XL-4	6,250	2,250,000	00
Boom sprayer	1	7F-1000L-20	4,570	1,645,200	00
Front loader	1	HZ15E	6,880	2,476,800	00
<b>Sub total</b>			<b>159,280</b>	<b>72,147,600</b>	<b>00</b>

#### C). Vehicle

Type	Model	QTY	Naira	K
Pick up truck	TOYOTA	1	20,000,000	00

#### D).Irrigation

Type	QTY	Model	USD	Naira	K
Horse reel	1	180-550GMT	25,560	9,201,600	00

#### E) Operating Costs

Working capital	Naira	K
Ploughing/Ha	12,000	00
Harrowing/Ha	10,000	00
Sub total	22,000	00
For 400 Ha	8,880,000	00
Mechanization and storage	104,000	00
For 400Ha	41,600,000	00
Input/ Ha	90,758	00
For 400Ha	36,303,200	00
Area yield insurance	13,250	00
Produce aggregation	5,600	00
Geo special service	5,000	00
Sub total	23,850	00
For 400Ha	9,540,000	00
Interest per hectare	22,088	20
For 400Ha	8,835,200	00
Total cost per hectare	262,696	00
Total cost For 400Ha	105,078,400	00

<b>Loan principal and interest (cost per hectare)</b>	<b>270,404</b>	<b>20</b>
<b>Total cost for 400Ha</b>	<b>108,161,600</b>	<b>00</b>
<b>Irrigation cost for 400Ha (excluding fixed cost)</b>	<b>25,015,120</b>	<b>00</b>

#### F) Amortization

	<b>Naira</b>	<b>K</b>
<b>Land clearing amortization (per hectare)</b>	<b>35,000</b>	<b>00</b>
<b>Land clearing amortization (400 hectare)</b>	<b>14,000,00</b>	<b>00</b>

#### G) Revenue

<b>Yield per hectare 3 tonnes @150000 per tonne</b>	<b>Naira</b>	<b>K</b>
<b>Revenue per hectare</b>	<b>450,000</b>	<b>00</b>
<b>For 400Ha</b>	<b>180,000,000</b>	<b>00</b>
<b>Net revenue for 400Ha (without amortization)</b>	<b>68,045,300</b>	<b>00</b>
<b>Net revenue with amortization (400Ha clearing)</b>	<b>52,045,300</b>	<b>00</b>
<b>2nd production cycle</b>		
<b>Net revenue</b>	<b>40,020,180</b>	<b>00</b>
<b>Net revenue with amortization (400Ha land)</b>		
<b>Annual net revenue (1st + 2<sup>nd</sup> cycle)</b>	<b>92,065,480</b>	<b>00</b>

Currency conversion rate ₦360.00 to 1USD

Funding mechanism

UNIBEN will provide 400Ha of cleared farmland around the university and lease it to members of the cooperative. UNIBEN will also lease 6000MT 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.