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**BUSINESS PLAN FOR SNAIL REARING (SNAILERY)**

**Description of project**

This business plan is for the development of snail rearing and production, starting with 200 snails in OLAOLUWA farm, Masaka, Nasarawara by AZR Agribusiness ventures. The business would start with 200 snails, and they are projected to become 800 in about six months. The intention of this business will be to provide food for the population, snails are in high demand and they always bring in a lot of income. The extract of snails can be used in production of cosmetics; snails have great uses in the cosmetic industry. Different skin creams are gotten from the Helix Aspersa (garden snail), and can be used in treating scars, acne, wrinkles, and dry skin. The secretions from the Helix Aspersa under stress, can be used in the regeneration of wounded tissue. Other benefits include; employment, it is easy to handle, the shells can be used for ornaments, less land is required for cultivation, they are cheap and easy to raise, they are not capital intensive, snail meat contains anti-tuberculosis attributes, snail meat is used in the production of local herbs to be used by pregnant women, it is recommended by the doctor to be eaten by diabetic patients, snail farming can be done part time.

Snail farming, also known as heliciculture, is the process of raising land snails primarily for food and other purposes by humans. Generally, their flesh can be used as edible escargot, their slime in cosmetics, and their eggs for human consumption as a type of caviar.

There are different species that could be bred; Achatina Fulica, Achatina Achatina, Archachatina Marginata

Type of food they eat

Alyssum, fruit and leaves of apple, apricot, artichoke, aster, barley, beans, almost any cabbage variety, carrot, ripe cherries, cucumbers. Mix laying mash would also help the snails to grow faster and give the shells calcium, and also reduce cannibalism when given to hatchlings.

Snail pen layout

The environment is wind free and the location is moist for their habitat. The pen should be made up of corrugated metal, plastic, or chicken wire to create a fence around the perimeter of the farm, and put moist, loamy soil.

**Sponsorship**

The business would be supported and sponsored by the Olaoluwa family. The family has experience in this project and the AZR Agribusiness ventures will be responsible for the management of this project.

**Management**

The business will be managed by an experience snail farmer who has promised to support the business free of charge for the first year. He would see to the day to day activities of the project. His remuneration will be based on the profit generated from the second year of operation. Also, additional hands will be considered as the business expands.

**Technical assistance**

The Olaoluwa family have a relationship with different companies like Cloneshouse, Bank of Agriculture and many others, which would provide finance for the project and the skills required to run the project whenever the need arises. They also have relationship with some marketing firms so we would be able to sell the snails easily when the time for harvest comes.

**Market and Sales**

The snails would be sold to hotels, restaurants and in the open market, which would in turn provide income for the business and provide food for the public.

However, as the business grows, a car would be required to deliver the products, or the buyers could buy directly from the farm.

Market orientation: North, Nigeria

Users of products: food for human, the secretions can be used on the body to cure acne, dry skin etc.

**Market potential**

There is a high demand for snail in most of the hotels and restaurants in the Federal Capital Territory.

**Technical feasibility**

The project, in terms of technology would involve the extraction of mucus produced by the snails which is good for the skin. The needed equipment would be made available by experts who have experience and knowhow to maintain the equipment. The experienced snail farmer will provide the snails with water and food. We are implementing our project using best international practices, sustainable production and the consideration for the environment.

**Government support and Regulation**

For purposes of future consideration for exports, the project conforms 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.

**Project timeline**

The project will commence in May 2020 and the first set of mature snails are likely to be ready for sale from April 2021. The brim of the shell of a snail tells if it is matured or not. When the adult snail lays its eggs, in 10 to 30 days, the eggs hatch releasing snails about 4 mm long. These snails grow up to 100 mm per month. Sexual maturity takes 6 to 16 months, depending on weather and availability of calcium.

**Estimated Project Costs and Revenue**

Fixed Cost

1. Land clearing: A fenced full plot of land is available for the project but only half will be cultivated in the first year.

|  |  |  |  |
| --- | --- | --- | --- |
| Activity | QTY | N | K |
| Land clearing | Half plot of land | 20,000 | 00 |
| **Total** | **Half plot of land** | **20,000** | **00** |

1. Equipment

|  |  |  |  |
| --- | --- | --- | --- |
| **Name** | **QTY** | **N** | **K** |
| Construction of snail pen and feeding trough using wire mesh and plastic. | 2 | 100,000 | 00 |
| Cutlass | 1 | 2,000 | 00 |
| Hoe | 1 | 500 | 00 |
| **Total** |  | **102,500** | **00** |
|  | | | |

1. Vehicle: To be considered with expansion.
2. Purchase of sale (seed capital)

|  |  |  |  |
| --- | --- | --- | --- |
| Quantity | Type/Size | N | K |
| 200 @ N100 | Various | 20,000 | 00 |

1. Irrigation: Water will be provided through dug- up well.

|  |  |  |  |
| --- | --- | --- | --- |
| Dug-up well | Manual | 150,000 | 00 |
| Plumbing works/materials (water tank, hose) |  | 50,000 | 00 |
| **Total** |  | **200,000** | **00** |

1. Operating cost

|  |  |  |
| --- | --- | --- |
| Snail Food – vegetables, fruits, watermelon etc. (annual) | 120,000 | 00 |
| Workers salary (From Year 3) | 50,000 | 00 |
| Cost of transporting snails to sales point @ N2,000 per month | 24,000 | 00 |
| Miscellaneous | 10,000 | 00 |
| **Total** | **154,000/204,000** | **00** |

**Revenue**

|  |  |  |  |
| --- | --- | --- | --- |
| Quantity for Sale | Unit Price | N | K |
| 150 (Year 1) | 500 | 75,000 | 00 |
| 1,500 (Year 2) | 500 | 750,000 | 00 |
| 2,500 (Year 3) | 500 | 1,250,000 | 00 |
| 4,000 (Year 4) | 500 | 2,000,000 | 00 |

**Summary of Cashflow for the Project**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| YEAR | **1** | **2** | **3** | **4** |
| **SALES** | **75,000** | **750,000** | **1,250,000** | **2,000,000** |
| OPENING STOCK | - | (596,500) | (300,500) | 275,500 |
| PURCHASES | 20,000 | - | - | - |
| CLOSING STOCK | (195,000) | (300,000) | (450,000) | (600,000) |
| **COST OF GOODS SOLD** | **(175,000)** | **(896,500)** | **(750,500)** | **(324,500)** |
| GROSS PROFIT | (100,000) | (146,500) | 499,500 | 1,675,500 |
| EXPENSES | 496,500 | 154,000 | 204,000 | 204,000 |
| **NET PROFIT** | **(596,500)** | **(300,500)** | **295,500** | **1,471,500** |
| VALUE OF SNAILS WITHDRAWN FOR CONSUMPTION | - | 0 | 20,000 | 50,000 |
| **PROFIT/(LOSS) PLOUGHED BACK** | **(596,500)** | **(300,500)** | **275,500** | **1,421,500** |

Explanatory Note:

1. Matured snails are sold @N500 while closing stock snails (in the Pen) are valued at an average of N300 per one.
2. Cost of Goods Sold = (Opening Stock + Purchases - Closing Stock)
3. On the average, each snail is expected to lay eggs and produce at least 4 offsprings in a year.
4. From 3 above, the 200 purchased in year 1 is expected to produce 800= (200\*4)
5. After selling 150 in year 1, the remaining 650 snails is expected to produce 2,600= (650 \*4) out of which 1,500 is sold at the end of year 2. The cycle continues this way

**Funding mechanism**

The Olaoluwa family will provide a plot land in the farm and lease it to the AZR agribusiness ventures. Loans would also be applied for at the Bank of Agriculture and commercial banks for possible expansion when the need arises.

**Conclusions**

The project is technically feasible and commercially viable. The breakeven point occurs in Year 3 when the project start making profit. It is therefore recommended for funding.