NAME: ADESOPE IBUKUNOLUWA ADEKUNLE

MATRIC NUMBER: 18/LAW01/014

COURSE: FOOD PRODUCTION AND HEALTH AWARENESS

COURSE CODE: AFE 202

ASSIGNMENT TITLE: ASSIGNMENT ON FOOD PRODUCTON AND HEALTH AWARENESS.

A FEASIBILITY REPORT/BUSINESS PLAN FOR THE DEVELOPMENT OF A 200 HECTRES PIGGERY FARM AND ESTABLISHMENT OF 10 TONNES PERDAT PROCESSING PLANT AT ADESOPE FARMS LTD, KISHI, OYO STATE BY ADESOPE INDUSTRIAL DEVELOPMENT GROUP.

AGREEMENT

 The undersigned reader acknowledges that the information provided in this business plan is a confidential intellectual property; therefore the reader agrees not to disclose it to a third party without the express written permission of the promoters of the proposed business. It is acknowledged by the reader that information furnished in this business plan is in all respect, confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by the reader, may cause serious harm or damage to the promoters of the proposed business.

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

Signature:

Name:

Date:

CONTENTS OF THIS FEASIBILTY REPORT

1. Executive summary/brief description of the project

2. Sponsorship, management and Technical assistance

3. Market and sales

4. Technical feasibility, resources and environment

5 government support and regulation

6. Timelines of projects

7. Estimated project cost and revenue

8. Funding Mechanism

9. Conclusion

EXECUTIVE SUMMARY

 The purpose of this business plan is to give an insight as well as a full introduction into the potential economic output and viability into the development of 300 hectares of land for the establishment of a piggery for the production of pork and bristles. The piggery is to be located in Kishi town which is in the southern part of Oyo state. For the past few years pork has been the most consumed form of meat in the world as it is one of the most versatile meats available and it can be processed into sausages as well as bacon. It can also be used to make hamburgers. The demand for pork is high in the southwestern and eastern parts of Nigeria. It is also largely demanded for in various countries all over the world. The piggery will provide 500 pigs yearly for sale then, another 800 pigs for processing.

 This project is aimed at employing at least 500 personnel who would carry out various functions including cleaning, animal caretaking, record keeping, accounting and others. The products gotten from the piggery are not only aimed at meeting local demand but, also to be used for export trade. Hereby providing high quality for Nigerians and the world at large.

SPONSORSHIP

 This project will be duly funded by myself, Ibukunoluwa Adekunle Adesope and, Lateef Adesope. I am a prolific farmer and business man. I already have a fully functional Maize plantation and a cattle ranch. I possess invaluable experience as I have spearheaded several agricultural projects already and, currently heads the society of Maize farmers in Nigeria.

MANAGEMENT

 This project being a family project is going to be jointly owned by Mr. Lateef Adesope’s family and and Mr. Ibukunoluwa Adesope’s family. These two families are to jointly take decisions concerning the project as well as split the profit equally. The objective of this is to take effective and reasonable decisions with the development of the project at heart.

TECHNICAL ASSISTANCE.

 Considering the vast experience of Mr. Ibukunoluwa Adesope in agricultural projects already, not too much emphasis is being put on external assistance. However, Mr. Ibukun has a working relationship with the farmers’ association of Nigeria and, would be looking to them from time to time for provision of agricultural products at subsidised prices.

 Also, Mr. Ibukun and Mr. Lateef aim at working hand in hand with Nigerian institute of Management in order to get valuable advice and tips from the institution in order to ensure the smooth running of the project and ensure the adequate attention is given all factions in the farm.

 Mr. Ibukun and Mr. Lateef also plan on working with Dutch distribution firms as Holland is one of the places the produce from this farm is to be exported to. Given the high demand for pork in the country. This alliance is going to help meet the demand for pork in the Netherlands hereby increasing the profit of all parties involved.

MARKET AND SALES

Market orientation: domestic; South West & Eastern Nigeria

Market share: 15% niche markets in Southwestern Nigeria and Eastern Nigeria

Users of products: Edible meat for human consumption, Bristles for hard brushesto be used for cleaning.

COMPETITION ANALYSIS

 There aren’t many piggery farms currently in the country that would be able to compete with ours because of our capacity as well as strategic alliances with organisasations and associations that have much to offer.

TARIFF AND IMPORT RESTRICTION

 Forex restriction on food importation and zero duty on imported agricultural equipment will favour the project currently under our consideration.

MARKET POTENTIAL

 There is very high demand for pork practically everywhere in Nigeria except for the North for religious reasons. That being said, the state of infrastructure in this particular production line is not yet perfect. There so much that is yet to be exploited so, the produce is very likely to be easily marketable.

PROFITABILITY

 There are several factors that could pose threats to the profitability of the project such as price fluctuations, livestock sicknesses, temperature, inadequate water, to mention a few. However, despite all of these, with the help of competent professionals using past experiences and scientific and technological approaches, these problems would be solved. Hereby facilitating several production cycles annually.

TECHNICAL FEASIBILITY

 The project is technically feasible. In terms of technology. The processes we plan on carrying out involve the processing of pork into bacon and sausages, all the necessary industrial equipment are readily available with respective technicians who are capable of operating all the equipment. In the making of sausages, there are various steps that need to be taken in order to produce the highest quality of pork available some of which include grinding, mixing, supplementation with necessary starch of nutrients, packaging and others. To ensure high nutrient content, we would employ food and nutrition specialists to come on board and put the necessary nutrients in place. Also, the bacon involves slices and thinning by specific machines. To facilitate this, operators of these machines would be brought in as well. The reason for this is to ensure smooth running of all processes.

 As for the bristles, they are to be extracted from the surface of the skin of the pigs. It is important to allow the bristles grow well first before extracting them from the skin of the pigs. This ensures production of high quality bristles that are long and tough.

 Specialists in mechanisation, irrigation, farm management, crop production, and mechanised farming are to be consulted. This means all these specialists would work hand in hand not only to increase efficiency, but also to cut costs where necessary.

GOVERNMENTAL SUPPORT AND REGULATION.

 Given the recent fluctuations in the prices of petroleum and its products, The government under the administration of president Muhammadu Buhari is desperate to diversify the economy with major emphasis on the agricultural sector. That being said, the bank of industry under the instruction of the federal government is now supporting more farmers than ever and trying to encourage people to engage in farming. The support being provided could be in form of equipment, funds, and subsidised prices amongst others. Also, banks have been playing their part by the recent increase in loans being granted to farmers. Due to the emphasis of the federal government on agriculture, support from the government and its institutions is assured at least for the next few years which is all we need to get on our feet properly and establish ourselves as a force to reckon with in farming.

PROJECT TIMELINE

 Construction of buildings, transportation of necessary equipment, as well as employment of competent personnel is currently scheduled to take place between January 2020 to May 2021. Given the predicted changes in trends as well as the need to keep up with competition and make more profit, there is going to be a considerable amount of land left untouched which could be used for new forms of productivity or farming in the nearest future.

ESTIMATED PROJECT COSTS AND REVENUE FIXED COST

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| ACTIVITY |  | QTY | COST |  |  |  |
| Land clearing | 1 hectare | 920,000 N |  |  |  |
| tree removal | 1 hectare | 500,000 N |  |  |  |
| cross cutting  | I hectare | 18,000 N |  |  |  |
|  |  |  |  |  |  |  |
| EQUIPMENT |  |  |  |  |  |
| Name |  | QTY | MODEL | USD | NAIRA |  |
| feeder |  | 4 |  | 1,500 | 540,000 |  |
| tractor |  | 1 |  | 15,000 | 54,000,000 |  |
| heating equipment | 2 |  | 4,000 | 1,440,000 |  |
| pig nipples | 20 |  | 10,000 | 3,600,000 |  |
| piggery ventilator | 2 |  | 6,000 | 2,160,000 |  |
| borehole |  | 1 |  | 5,000 | 1,800,000 |  |
|  |  |  |  |  |  |  |
| VEHICLE |  |  |  |  |  |  |
| TYPE |  | MODEL |  | QTY | cost in dollars |
| pick up truck | tundra |  | 2 | 20,000 |  |
| trailer |  | man |  | 2 | 40,000 |  |
|  |  |  |  |  |  |  |
| OPERATING COST |  |  |  |  |  |
| working capital | cost in naira |  |  |  |  |
| harrowing | 15,000 |  |  |  |  |
| storage |  | 20,000 |  |  |  |  |
| treatment | 40,000 |  |  |  |  |
| feeding |  | 100,000 |  |  |  |  |
| produce aggregation | 70,000 |  |  |  |  |
| geo spatial service | 6,000 |  |  |  |  |
| interest per hectare  | 46,000 |  |  |  |  |
| for 300Ha |  | 13,800,000 |  |  |  |  |
| total cost per hectare | 251,000 |  |  |  |  |
| for 300Ha |  | 75,300,000 |  |  |  |  |
| loan principal and | 456,400 |  |  |  |  |
| interest per hectare  |  |  |  |  |  |
| total cost for 300 Ha | 212,220,000 |  |  |  |  |
| irrigation cost for  |  |  |  |  |  |
| 300 Ha |  | 56,900,000 |  |  |  |  |
|  |  |  |  |  |  |  |
| AMORTIZATION |  |  | cost in NAIRA |  |
| land clearing amortization per hectare | 18,000 |  |  |
| land clearing amortizatio 300 hectares  | 5,400,000 |  |  |
|  |  |  |  |  |  |  |
| REVENUE |  |  | NAIRA |  |  |  |
| yield per 50 pigs |  |  |  |  |  |
| revenue per hectare |  | 600,500 |  |  |  |
| revenue for 300 hectares |  | 180,000,000 |
| net revenue |  | 70,900,000 |  |
| net Revenue with amortization |  | 61,000,000 |
| 2nd production cycle |  |  |  |
| Net revenue |  | 60,000,000 |  |
| annual net revenue |  | 121,000,000 |  |
|  |  |  |  |  |

FUNDING MECHANISM

 Majority of the project is being funded by Mr. Ibukunoluwa Adesope and Mr Lateef Adesope as well as their families. Also, a forgivable farming loan of 30,000,000 Naira has been taken from Stanbic IBTC bank.

CONCLUSION

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