**Name: Fasingha Deborah Ebitimi**

**Matric No: 18/SMS02/024**

**Department: Accounting**

**Course: AFE202**

A BUSINESS PLAN FOR THE DEVELOPMENT AND ESTABLISHMENT OF A SNAIL FARM AT PRINADA FARM, YENEGOA, BAYELSA STATE, NIGERIA.

**Executive Summary**

This business plan is to examine the feasibility and economic viability of a 1acre snail farm. The snail farm will produce about 2000 snails in a production cycle. West Africa is home to the largest species of land snails (Achatina species) in the world. This species is known to grow as long as 30cm and can be majorly found in Nigeria, Liberia, Ghana and so on. Choosing to look into this direction of business is reaping good benefits as a result of the high demand of snails but low number of snail farmers in Nigeria. There is high domestic demand for snails and also international demand. Snail farming is one of the easiest businesses an individual can engage in to make great profits in a very short period of time.

The proposed project will create economic opportunities, impact positively on the people and help conserve scarce foreign exchange. The snails will be sourced locally and snail eggs can also be bought from the market. The project will contribute significantly to food security, generate satisfactory returns from sponsors and create market access.

**Sponsorship**

The project is sponsored by Frank Fasingha, an engineer and founder of PRINADA Engineering Company, PRINADA Association of Farmers will be responsible for the management consultancy of the project.

**Management**

The management will compromise of an elected Board of Directors which is made up of shareholders and members of the business who have stake in the survival, growth and profitability of the business as well as distinguished person in the agricultural business who have proven through interviews that they are sound in this area of business. The main objective of the board would be to make policies which would ensure long term success of the business. The board will also ensure that appropriate rules and regulations set by regulatory boards are being followed.

The managing director would be responsible for the day to day running of the business. He is accountable to the Board. He would manage business risks, although there is not a lot in snail farming, and also focus on wealth creation. He will mobilize the business resources.

**Market and Sales**

Market Orientation: domestic; South South, South East, South East, Nigeria. International; Europe, North America.

User of Products: snail meat for human consumption, snail eggs for farmers who also want to start up a business, snail slime for cosmetic industries.

**Competition Analysis**

The only places where significant production of snails take place is Lagos, Abuja and Port Harcourt and demand still outweighs that of supply. Based on this, competition in terms of production is non-existent in Nigeria compared to the demand of the produce.

**Market Potential**

Due to its health benefits and excellent taste, snail meat has become very popular among consumers over the past few years. It is expected that the demand will continue to increase in future. Snail meat is recommended by the Heart Foundation because of its low cholesterol and it is also healthier than beef, fish and chicken. Snail farmers simply cannot keep up with the demand, therefore making the potential of this business very high.

**Profitability**

Weather, chemical, physical and environmental factors such as temperature, sunlight, pests, soil conditions and other factors are risks which could affect profitability. However, technical and financial based solutions will be employed to reduce such risks and ensure success. Snails are not prone to illnesses too which makes business a lot easier.

**Government Support and Regulation**

The project conforms with the economic diversification objective of the government. It also supports foreign exchange and import reduction conservation of the government. It creates economic opportunities, market access and supports food security objective of the government. The project will benefit from government intervention fund in the agricultural sector. The project will also benefit from the favourable policy of zero duty for agricultural and equipment import. Restriction on forex for all food products will also widen market opportunity. The project will contribute significantly to employment, output increase, stable price and stable exchange rate.

**Resources, Location and Environment**

The snail farm is located at a low plain, downhill site along Agudama, Yenegoa. The site is not exposed to too much wind because too much wind can dehydrate the snails. Trees like banana and plantain trees would be planted on the sandy-loamy soil around the farm. Wet leaves and wet cloths will be used to control the temperature of the snailery. Barbed wire fences would be made around the snail pens to protect them from predators and pests like snakes.

**Project Timeline**

The project will be completed within 7-months preferably between March 2021 to September 2021 because snails come out more during the rainy seasons.

**Estimated Project Cost and Revenue**

1. **SALARY STRUCTURE**

|  |  |  |
| --- | --- | --- |
| **POST** | **NUMBER** | **MONTHLY SALARY** |
| Managing Director | 1 | 200,000 |
| Accountant | 1 | 100,000 |
| Snail Farm Supervisor | 1 | 80,000 |
| Outlet Sales | 3 | 90,000 |
| Pen Attendants | 3 | 60,000 |
| Cleaner | 3 | 60,000 |
| Security Men | 5 | 100,000 |
| **TOTAL** | **17** | **₦690,000** |

1. **COST OF EQUIPMENT AND MACHINERIES**

|  |  |
| --- | --- |
| **EQIPMENT/MACHINERY** | **AMOUNT(₦)** |
| Land | 700,000 |
| Construction of Pens | 400,000 |
| 2 Boreholes | 200,000 |
| 2 Water pumping machines | 250,000 |
| 2 Sorting tanks | 100,000 |
| Generator | 200,000 |
| Feeds | 342,000 |
| Fertilizer | 250,000 |
| Contingency 10% | 244,200 |
| **TOTAL** | **2,686,200** |

1. **WORKING CAPITAL**

|  |  |  |
| --- | --- | --- |
| **SOURCE** |  | **AMOUNT** |
| Salary | Per month | 690,000 |
| Utilities bills | Per month | 50,000 |
| Fuel | Per month | 40,000 |
| Miscellaneous |  | 70,000 |
| **TOTAL** |  | **₦850,000** |

**SUMMARY OF PROJECT COST**

Equipment and machineries - ₦2,686,200

Working capital - ₦850,000

**TOTAL - ₦3,536,200**

**FUNDING OF THE PROJECT**

The project shall be funded through agriculture loan from the bank and equity as follows:

|  |  |
| --- | --- |
| **SOURCE** | **AMOUNT (₦)** |
| Loan from bank | 2,000,000 |
| Equity | 1,536,200 |
| **TOTAL** | **3,536,200** |

**SALES PROJECTIONS**

|  |  |  |  |
| --- | --- | --- | --- |
| **SOURCE** | **WEEKLY**  **PROJECTION** | **MONTHLY**  **PROJECTION** | **ANNUAL PROJECTION** |
| Snails | 250,000 | 1,000,000 | 12,000,000 |
| **TOTAL** | **250,000** | **1,000,000** | **12,000,000** |

**DEPRECIATION OF ASSETS, EQUIPMENT AND MACHINERIES**

|  |  |  |  |
| --- | --- | --- | --- |
| **ASSET** | **RATE** | **AMOUNT** | **DEPRECIATION** |
| Equipment &  Machineries | 10% | 2,686,200 | 2,686,200 |
| **TOTAL** |  |  | **2,686,200** |

**CASH FLOW ANALYSIS**

|  |  |  |
| --- | --- | --- |
| **PARTICULARS** | **YEAR 0** | **YEAR 1** |
| Grant | 2,000,000 |  |
| Equity | 1,536,200 |  |
| Snails | - | 12,000,000 |
| Sub-total | 3,536,200 | 12,000,000 |
| Machineries | 2,686,200 | 2,686,200 |
| Working capital | 850,000 | 850,000 |
| Sub-total(2) | 3,536,200 | 3,536,200 |
| Gross profit | - | 8,463,800 |
| Less depreciation | - | 2,686,200 |
| Net profit | - | 5,777,600 |

**PROFITABILITY ANALYSIS**

Profitability Ratio =

=

= 163.4%

The business has the capacity of making 163.4% profit every year.