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MATRIC NO: 18/LAW01/057

COURSE TITLE: AGRICULTURAL SCIENCE AND FOOD SECURITY (AFE 202)

ASSIGNMENT TITILE: BUSINESS PLAN FOR THE DEVELOPMENT OF A 300HECTARES YAM FLOUR PLANTATION AND ESTABLISHMENT OF 4000 PACKS PER DAY CAPACITY YAM FLOUR FACTORY AT YOMI KASALI FARM, SOKOTO, SOKOTO STATE, NIGERIA BY SIMIAGRIBUSINESS VENTURES AND CONSULTANCY CONFIDENTIALITY AGREEMENT

CONFIDENTIALITY CLAUSE

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:

1. Executive Summary/Project Description:

This business plan examines the feasibility and economic viability of the development of a 300hectares yam factory and the establishment of a yam flour factory in Sokoto by Christbeth and Christbeth Cooperative Society Limited. The farm will produce about 4000 tubers of yam in a production cycle. Some of the Yam will be sold across all markets in Sokoto state. The other yams will be taken to the yam flour factory where it will be processed into poundo flour. The yam flour will be well packaged at the factory and taken to Akino central market where it will be sold to traders. It will also be sold to other wholesalers and retailers who will sell to their final consumers.

The proposed project will create economic opportunities, reduce poverty, impact positively on the people’s nutrition and help reduce the rate of import for such foods. The yam to be processed into yam flour will be sourced locally through direct production, contract farming in Sokoto state and direct purchase from traders. The project will create market access, improve income of traders and hawkers and contribute significantly to food security. It will also generate satisfactory returns for sponsors and investors.

2. Sponsorship:

The project is sponsored by Christbeth Ujomor, a successful entrepreneur, a specialized farmer in Sokoto State. Christbeth Ujomor is promoting the productivity of smallholder farmers in Sokoto State through the Farmer’s Cooperative Limited. SimiAgribusiness Ventures & Consultancy will be responsible for the management consultancy of the projects.

3. Management:

The management will comprise of a democratically elected Board of Directors at the apex of the organization structure. This will be made up of shareholders and member of the cooperative who have stake in the survival, growth and profitability of the business as well as distinguished agribusiness professionals of proven integrity and vast experience in the project area. The prime objective of the board will be to give strategic directions and policies that will ensure long term success of the organization. The board will ensure that the organization complied with all standards set by regulatory authorities.

The Managing Director/President shall be responsible for the co-ordination of the day to day management of the cooperative business. She is accountable to the Board of Directors; he will mobilize organization resources to achieve set goals. She will manage business risks and focus on wealth creation.

4. Technical Assistance:

The yam flour factory shall constitute some equipment which shall facilitate production. These include the; Yam slicer, Miller, Drier, Parboiler, Weighing scale, Seiving machine and other materials.

There shall also be staff working at the factory to help facilitate the production and distribution process.

5. Sales and Markets:

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

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

Users of Products: the yam flour will be consumed by customers nationwide

6. Technical Feasibility:

The projects (production of plantain and plantain chips) are technically feasible.  In terms of technology, which involves slicing of the yam, parboiling, milling. The industrial processes are simple and farmers with high experience in harvesting yams will be employed.

For the yam flour production, we have specialists in mechanization, irrigation, farm management, crop production, weed science, market development, agric extension and accounting as part of our management team. We also have specialists in quality control as part of our management team. The state of infrastructure around Sokoto is adequate and suitable for the location of the farm/firm for efficient production, processing and marketing. Raw materials will be produced and sourced locally.

7. Government Support and Regulation:

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

8. Project Timeline:

This project will be completed within 2 months (July2020 – September 2020).

9. Estimated Costs and Revenue:

Fixed Costs

a) Land Clearing

Activity QTY ₦ K

Land Clearing 1Hectare 230,000 00

Cross cutting 1Hectare 20,000 00

Rome ploughing 1Hectare 50,000 00

Sub total 1Hectare 300,000 00

Total 300Hectare 90,000,000 00

b) Equipment

Name QTY USD ₦ K

Yam slicer 100 1,250 500,000 00

Bowl 200 150 60,000 00

Sieve 200 200 80,000 00

Cooker 15 1,250 500,000 00

Mill 50 250 100,000 00

Weighing scale 100 500 200,000 00

Packing bags 2000 250 100,000 00

Bag sealing machine 2 750 300,000 00

Sub total 4,600 1,840,000 00

c) Vehicle

        Type                            Model                             QTY                  ₦                 K

Pick up Truck HILUX 2 30,000,000    :     00

d) Irrigation

Type               QTY         Model                USD                        ₦                 K

Hose Reel 1 140 – 440MT 28,186 1,0146,960     :      00

e) Operation Costs

Working Capital

₦ K

Ploughing/Ha 15,000 00

Harrowing/Ha 10,000 00

Sub total 25,000 00

For 300Ha 7,500,000 00

Mechanization and storage 105,000 00

For 300Ha 21,000,000 00

Input / Ha 91,825 00

For 300Ha 27,547,500 00

Area yield insurance 13,500 00

Produce aggregation 5,500 00

Geo Spatial Service 4,500 00

Sub total 23,500 00

For 300Ha 7,050,000 00

Interest per hectare 6,632,700 00

For 300Ha 4,415,800 00

Total cost per hectare 245,325 00

Total cost for 300Ha 49,065,000 00

Loan principal and interest (cost per Hectare) 267,404 25

Total for 300Ha 53,480,800 00

Irrigation cost for 300Ha(excluding fixed cost) 24,018,120 00

REVENUE

1st production cycle ₦                         K

Revenue per hectare 435,000          :         00

For 300Ha 130,500,000         :        00

Net revenue 130,935,000        :       00

2nd Production Cycle

Net revenue 21,510,090         :         00

Annual Net Revenue ( 1st + 2nd Cycle) 152,445,000:       00

Currency conversion rate:₦400.00 to 1USD

10. Funding Mechanism

All sorts of funding for this proposed business shall be handled by Yomi Kasali who is the Sole Proprietor of the business.

11. Conclusion

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