A FEASIBILITY REPORT/ BUSINESS PLAN FOR THE DEVELOPMENT OF A 200 HECTARES MAIZE PLANTATION IN AGBOR, DELTA STATE, NIGERIA BY GROW MORE LIMITED AND CONSULTANCY CONFIDENTIALITY AGREEMENT.

The undersigned reader acknowledges that the information provided in the 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 finished 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 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:

TABLE OF CONTENTS

1. Effective summary/ brief description of 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 project
7. Estimated project cost and revenue
8. Funding mechanism
9. Conclusion.

EFFECTIVE SUMMARY

The following is a proposal for MAIZE FARM NIGERIA LTD in Agbor, Delta state.

This project requires # 1,000,000. # 600,000 for fixed assets and #400,000 for working capital.

The vision of this enterprise is to ensure efficient production of maize seeds in Delta state particularly in Agbor.

This venture would be located in Agbor because of easy access to the market for sale.

Availability of the market for business to serve is very important.

The competitive edge to this enterprise lies on the ability to produce reasonable quantity of fresh maize, poultry feed, swallow, igba Oka pap, agidi and popcorn.

The proposed project will create economic opportunities, impact positively on the people and help conserve scarce foreign exchange.

It will also generate satisfactory returns for both the sponsors and the investors.

SPONSORSHIP

This project is being sponsored by another enterprise in Delta State, CORNE LTD, which has been exporting maize produce such as; fresh maize to other states in Nigeria for the past 3years.

MANAGEMENT

A board of directors made up of shareholders and members of cooperative, distinguished agribusiness professionals of proven integrity and vast experience in the project area would be democratically elected. The prime objective of the board would be to give strategic directions and policies that would ensure long term success of the organization. The board would ensure that we complied with all standards set by regulatory mandatories. The managing director would be responsible for coordination of the day to day management of corporative business. He is the head of the board of directors and is therefore accountable for their actions and decisions. He also manages risks, loses and gains.

TECHNICAL ASSISTANCE

CORNE LTD would be providing technical as well as monetary support. They already have and would provide all necessary machinery, equipment, farm tools and even qualified workers for the project.

This enterprise also has a working relationship with CBN (Central Bank of Nigeria, Delta) which has agreed to provide loans at a very low interest rate and give incentives in order to aid rapt growth of the project.

MARKET AND SALES

Market orientation; South Nigeria

Market share; 10% niche market in South West and East Nigeria

Product Users; Fast foods and restaurants in the Southern part of Nigeria.

COMPETITION ANALYSIS

Plateau state produced 52% of National output between 2005 and 2016. Kano state followed with 35% of National output within the period. Rivers, Enugu, Gombe and Kastina produced 10% and below within the estimated period. Based on this analysis, there isn’t much competition in the South compared to the demand for produce.

TARRIF AND IMPORT RESTRICTION

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

MARKET POTENTIAL

There is high demand for maize produce in the Southern part of Nigeria. The State infrastructure though not perfect still supports production and trade within the Nation.

PROFITABILITY

There are various factors that can hinder the profitability of the project such as; weather, biological factors, environmental factors, pests, rodents, and most especially drought. However various measures would be employed to handle these issues. The weather is good for now and pesticides have would be used when necessary for pest control. Also, due to the pandemic, importation of maize and its produce from other countries is not rampant; therefore this would attract more customers thereby yielding more profit.

TECHNICAL FEASIBILITY

In terms of technology, a website would be created for customers to make enquiries about sales and prices of goods. People would also be able to book for their goods online and make online payment.

The farm would be in an area near town and near the markets so that buyers would be able to come in easily and patronize the business.

GOVERNMENT SUPPORT AND REGULATION

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

PROJECT TIMELINE

The project would be completed in 8months preferably between February 2018 and September 2019.

ESTIMATED PROJECT COST AND REVENUE

FIXED COST

a. Land Clearing

Activity Qty Naira K

Land clearing 1 hectare 150,000 00

Cross cutting 1 hectare 100,000 00

Subtotal 1 hectare 250,000 00

b. Equipment

Name Qty Naira K

Tractor 1 10,000 00

Soy seeder 1 3,000 00

Harrow 1 3,500 00

Front loader 1 4,500 00

Harvester 1 4,000 00

Subtotal 25,000 00

c. Vehicle

Type Model Naira K

Pick-up truck Hilux 300,000 00

d. Irrigation

Type Qty Model Naira K

Hose Reel 1 40-440MT 5,000 00

OPERATING COST: N K

Ploughing/ Ha 10,000 00

Harrowing/Ha 10,000 00

Irrigating 4,000 00

Storage 6,000 00

Insurance 20,000 00

Total 40,000 00

AMORTIZATION

Land clearing Amortization for 200 Hectares 250,000

REVENUE N K

Revenue per ha 50,000 00

Net revenue for 200ha 200,000 00

Net revenue for 200ha with amortization 450,000 00

Net revenue 650,000 00

Annual net revenue 7,800,000 00

FUNDING MECHANISM

CORNE would provide 200 hectares of land near the town area and lease it to members of the cooperative. They would also provide equipment and materials for production.

CBN Delta would provide loans at subsidized rates for the project.

CONCLUSION

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