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BUSINESS PLAN FOR THE DEVELOPMENT OF A FARM AT Chi’s FARM, NO 2 ASSOCIATION AVENUE, , LAGOS STATE BY TOYOM AGRIBUSINESS VENTURES AND CONSULTANCY CONFIDENTIALITY 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:Aruna David

Date:

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**Project Description**

This business plan examines the feasibility of and indeed economic viability of the development of a 300 SqM Fish Farm in, Lagos state by Chi’s Farm. The farm will rear salmon, tilapia, catfish and sardines. The Fish farm would also produce products such as canned sardines, fish fillets, dried fish. Production is currently popular in the South West and North West.

**Sponsorship**

The project is sponsored by WILLIAMS, a legal luminary and founder of CHEKWORKS LLIMITED. Williams is promoting the productivity of smallholder farmers in Lagos state.

**Management**

The management will comprise the founder and member of the cooperative who have stake in the survival, growth and profitability of the business.

**Technical Assistance**

The Farm has a relationship with Jawa farms in abuja.jawa farms has mandate in cattle and aquatic rearing.they have agreed to assist in building the farm.

**Market and Sales**

Market orientation: domestic; All over Nigeria

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

Users of Products:

**Competition analysis**

The only places where significant production takes place is in South West, North East Nigeria. Based

**Tariff and Import Restriction**

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

**Market Potential**

There is strong demand for Fish in the South West of Nigeria. The state of infrastructure though not perfect still supports production and trade within Nigeria.

**Profitability**

Weather, biological, chemical, physical and environmental factors such as temperature, sunlight, water, diseases, g, price fluctuations and other risks . However, technical, scientific and financial based solutions will be employed to hedge against risks and safeguard profit.

**Technical Feasibility**

In terms of technology, which involve the grinding of fish for the production of fish fillets the industrial processes are simple and a specialist in production of fish fillets with 15years experience is part of our team. The needed equipment for fish grinding are readily available and our experts have hand on experience in the usage and maintenance of the equipment.

**Government Support and Regulation**

The project conform 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. The project will benefit from government intervention fund in the agriculture sector. The project will also benefit from the favourable policy of zero duty for agricultural and equipment import. Restriction of 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.

**Project Timeline**

The project will be completed within 3months preferably between july , 2020 to September 2020.

**Estimated project costs and revenue**

**Fixed cost**

**(**A)**Land clearing**

|  |  |  |  |
| --- | --- | --- | --- |
| Activity  | QTY |  ₦ | K |
| Land clearing  | 300SqM | 200,000 | 00 |
| TOTAL | 300SqM | 200,000 | 00 |
|  |  |  |  |

(B) **Equipment**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Name | QTY | MODEL | USD |  **₦** | K |
| Artificial ponds | 8 |  | 1,047 | 400,000 | 00 |
| Pumping machines | 5 | Fp5242-00-SD | 393 | 150,000 | 00 |
| Aeration  | 10 |  | 7000 | 2,695,788 | 00 |
| Seine reels | 12 |  | 4,950 | 1,782,000 | 00 |
| Scales | 5 |  | 28 | 10,500 | 00 |
| Sub total |  |  | 13,418 | 50,038,288 | 00 |

(C) **Vehicle**

 **Model. Qty**

Type

 ₦. **K**

|  |  |  |  |
| --- | --- | --- | --- |
| Pick up truck | Hilux | 2 | 30,000,000 |

**Operating cost**

|  |  |  |
| --- | --- | --- |
| **Working capital**  |  |  |
|  |  **₦** | **K** |
| Digging  | 185,000 | 00 |
| Subtotal  | 185,000 | 00 |
| Mechanization and storage | 105,000 | 00 |
| Area yield insurance  | 13,500 | 00 |
| Produce aggregation  | 5,500 | 00 |
| Geo spatial service  | 4,500 | 00 |
| Sub total | 23,500 | 00 |
| For 400Ha | 8,831,700 | 00 |
| Total cost per hectare  | 245,325 | 00 |
| Total cost for 400Ha | 98,130,00 | 00 |
| Loan principal and interest (cost per hectare) | 267,404 | 25 |
| Total for 400Ha | 106,961,700 | 00 |
| Irrigation cost for 400Ha(excluding fixed cost) | 24,018,120 | 00 |

**Amortization**

 **₦**

 **K**

|  |  |
| --- | --- |
| Land clearing amortization (300SqM) | 200,00 |

**Revenue**

|  |  |
| --- | --- |
| Yields per hectare 3@tonnes **₦**145000 per tonne  |  |
|  | **₦.**  | **K** |
| Revenue per hectare  | 435,000 | 00 |
| For 400Ha | 174,000,000 | 00 |
| Net revenue for 400Ha(without amortization) | 67,038 | 00 |
| 2nd Production cycle |  |  |
| Net avenue  | 43,020,180 | 00 |
| Net revenue with amortization(400ha land) |  |  |
| Annual net revenue(1st +2nd cycle  | 98,058,480 | 00 |

**Currency conversion rate: ₦360.00 to 1USD**

**Funding Mechanism**

will provide 400Ha of cleared farmland around the university and lease it to members of the cooperative. will also lease 6,000MT capacity silo as equity contribution

Equity investor to provide equity for equipment and vehicles purchase

Where possible equity investor to provide equity for working capital or otherwise secure loan at the rate of 9% through government intervention window at the Bank of Agriculture, Bank of Industry and Commercial banks.

**Conclusion**

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