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MATRIC NO-18/ENG06/028

DEPT-MECHANICAL

**BUSINESS PLAN FOR AGVENTURE FARMS**.

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For: Agventure Farms.

Note: This is to acknowledge that the information provided by Agventure farms, in Anambra state, in this business plan is unique and confidential therefore, anyone who reads this plan is not to discuss the information in this business plan without permission.

**BUSINESS PLAN FOR A FARM**

# Executive Summary

 Agventure farms will be a renowned for the best commercial farming and delivering services. We will provide high crops, also fruits different varieties both for international and national purpose. Due to our size and capacity we will service not just the end users to provide healthy crops and fruits but also a host of other farms and other industries. We have carried out a very thorough feasibility study on a wide range of crop products and have carefully studied different business models for this business. In view of this we have only adapted the best model for not just for our business but also to enable us serve other industries well. Our business strategies adequately address the issues of quality as it relates to the genetic makeup of different bird species and hatchery technologies to make sure that only the best and finest bird products are out from our farm. It is important to note that we cannot achieve such a feat without highly trained and qualified hands on deck. That is why we will put up laboratories and hatcheries. As mentioned earlier, this is to help us to achieve great results and give the best quality. Our well-trained professionals take into consideration every little detail. Every little detail because we have a reputation to create. Agventure farms sits on two hundred hectares of land on the outskirts of Anambra state, Nigeria. From there, service would be to the whole of Anambra; and not just that, we will be able to still render our services anywhere in Nigeria. We have also carried out a detailed market research to enable us to address the different problems peculiar to different environments. Especially when it comes to some peculiar crops, we have researched the different climatic conditions that have various health implications on crops. That is why we will invest a fortune in research in-order to raise genetically modified pest resistant crops species which could also adapt easily to different climatic conditions. The increasing awareness of the health implications of red meat makes people globally to opt for crops, which is healthier to consume. This single factor will spike the demand for crops products.

**Consumer choice**: Today, Nigerians are busier than ever balancing a hectic schedule of work, family, personal activities, and professional events. Working couples, busy students, and soccer players all look to packaged healthy foods as a convenient on-the-go breakfast, quick snack, or meal alternative for office, home, sports, or travel. When choosing a breakfast, snack, or meal, consumers are selecting foods that are better for you and contain all natural, organic ingredients, natural flavors, are minimally processed and are hygienic.

**Business opportunity**: To capitalize on consumer demand for healthy and quality food, companies are introducing on-demand food source. This untapped market potential has encouraged us at Agventure farms to provide for this need, fill up the space and bring quality and healthy crops to market which will enable our buyers get the best out of there, every meal. Our goal is to build a nationally recognized brand to provide healthy fruits and crops which will be able to help individuals grow.

**Target Market**: Our primary market target are health-conscious factories and sports companies who need special help in other to help their clients, and local and international restaurants who need unique crops to make their food better tasting than others. Our consumers may include couples, working singles, students, and families with kids.

**Secondary Market**: Our secondary target includes institutions such as hospitals, schools, colleges, and universities. These institutions have a steady demand for conveniently packaged, single-serving meal.

**Market Analysis**: The marketing efforts will focus on identifying and understanding the ever-changing needs and preferences of the customers in order to satisfy them. The marketing mix will drive the customer value proposition of the project. The following is an account on the product, promotion, place and packaging that will be applied to the selected market segment. The main products of the project will be the crops. The project will strive to improve the quality of the crops for mass use which will be produced and sold by providing the right nutrition and environment condition for the plants. Other products to be sold by the project will include fruits and manure. Manure is a desirable fertilizer that is highly sought after by farmers and flower growers.

**Human Resources**:

Projected staff strength

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Manager | 2 | 2 | 2 | 2 | 2 |
| Marketing Officer | 4 | 4 | 4 | 8 | 8 |
| Accountant | 2 | 2 | 2 | 2 | 2 |
| Operators | 4 | 4 | 8 | 8 | 8 |
| Packers | 4 | 4 | 6 | 6 | 6 |
| Cleaners | 4 | 4 | 4 | 4 | 4 |
| Security | 4 | 4 | 4 | 4 | 4 |
| Farmers  | 10 | 15 | 20 | 20 | 30 |

Projected Total Compensation Package per annum.

|  |  |
| --- | --- |
| Staff | Packages |
| Manager | 400,000 |
| Marketing Officer | 350,000 |
| Accountant | 300,000 |
| Operators | 250,000 |
| Packers | 200,000 |
| Farmers | 150,000 |
| Cleaners | 100,000 |
| Security | 70,000 |

 **Marketing plan**: The demand for crops in Nigeria is higher than the supply by farmers and companies. We would ensure that we balance needs of today with the needs of tomorrow. We would ensure consistently that our business modules are sustainable to the development of the crop sectors. We would exercise the integrity when managing the processes that are at the heart of our business. We would ensure the consistent quality of all our products. We shall endeavor that our products are sold at cheaper prices thereby making life more and more affordable. We would expand our production capacity through regular refurbishment and upgrade of our existing equipment and services thus, we are constantly working to achieve significantly increased market share for our products. With the set international standard, we guarantee for our products, impeccable quality and unbeatable value. We are continuously improving and innovating to give us the competitive edge in the business environment where we operate.

Looking at the above analysis, the long-term solvency, efficiency and stability of the firm seems exceedingly promising. These are set of ratios that re-assure investors of the sustainability of the venture. The viability and feasibility of the project has been tested from the above evaluation. This project looks very viable and is worthwhile to commit resources to it.

**Risk Accessibility**: In terms of the financial risk, this originates from the fact that the owners’ contribution is less, compared to the funds required from potential investors. Hence, the gearing ratio is therefore not as desirable. To mitigate this risk, the project members shall strive to reinvest at least 60% of the profits into the business to improve the finances of the organization. The project will strive for a good return on investment. In the first year of operation, employee costs will be minimized to ensure that this risk is minimized. There is a potential market risk in terms of competition from well-established crops farms and suppliers, Agventure farm will have to compete for market share with these established businesses. To mitigate this, the business will focus on a specific market segment and strive to understand the customers better than the competitors. This project will require skilled, knowledgeable and competent staff in significant areas such as business management, financial management, costing, entrepreneurship and technical aspects relating to raising layers and egg production management. It will be important for the owners, management and employees to be well trained. Moreover, a loss of key personnel is likely to affect the business adversely. To mitigate this risk, the business will promote and cultivate a culture of sharing knowledge and skills amongst the members and employees. Another risk that might face Agventure farms is an economic risk. On a global level, there is currently an economic recession (declining at present), as such the unemployment rate has gone up meaning that few people have buying power and the fact that consumers have tighter budgets as compared excellent financial years. The depreciating rand is also a factor to consider as it also affects prices of procurement such as vaccines, medicines and imported feed supplies. This risk is external and out of the control of the business.

There will be likelihood to implement energy saving measures such as the use of energy saving bulbs. Agventure farm will investigate alternative energy sources such as solar power and windmills. The business will strive to not pass on the costs to consumers as it understands that affordability is one of the key success factors in the crops industry. There is also risk of outbreak of diseases that could adversely affect the products of the project, for which measures to forestall and check for every time.

**Financial Plan**: The company intends to raise an amount of approximately 750,000,000 (seven hundred and fifty million) of seed capital, and of that, 250,000,000 (two hundred and fifty million) has already been committed by management.

Current Capital Structure:

|  |  |
| --- | --- |
| Shares Authorized | Shares Issued |
| 15,000,000 common | 1,500,000 common |
| 1,000,000 preferred | 0 preferred |

Current Shareholders:

|  |  |
| --- | --- |
| Burutolu Tarimobowei | 300,000 shares |
| William James | 300,000 shares |
| Hassan Ibrahim | 300,000 shares |
| Sharon Okeke | 300,000 shares |

For 750,000,000 seeds, the investing party will receive 750,000 preferred shares, or 33.3% of the company. Preferred shares will include senior debt and anti-dilution provisions as negotiated.

**Utilization of Proceeds:**

Working capital: The proceeds from the offer will be used to fund the working capital requirements of the company (and its subsidiary and associated companies, if any).

Acquisition of assets: Land & building, plant & machinery, and other fixed assets will be purchased as and when deemed necessary to maximize the profits of the company, cashflows that are incidental to the normal business operations of the company. Funds will be used for the purpose of business operations of the company.

The most likely exit afforded investors will be through acquisition. If the company's actual operational and financial results are in any reasonable range of the projected results herein, the company will become an attractive asset to an acquisitive competitor or larger medical device company. No competitor or company is thought to be more likely than another to be interested. Exceptional results would enhance the Agventure brand name and financial position, making new product development and the likelihood of new product success more plausible. In this scenario, the opportunity to raise capital and provide an investment exit to shareholders becomes more likely.

**Projected Profit and Loss**: Barring any unforeseen circumstances, Agventure farms is anticipated to break-even by the third of operations. Profits for the company in subsequent years will accelerate with the increase in anticipated sales volume.

**Projected Cash Flow**: It will be noted that the company's cash flow will be steadily declining for the two years of operations. This is expected due to large capital investments and initial slow sales. The company has calculated its financial plan so that it will have enough cash from investors and debt to survive until profitability reaches acceptable levels.