**LAMBERT BOMA DIVINE-GIFT**

**18/LAW01/138**

**GST ASSIGNMENT**

FRUTAS FRESCAS AGRICULTURAL FIRM

***Introduction;***

Address: No. 6B Azuabie Road Port harcourt.

Name of Principal: Lambert Boma

Address of Principal: No. 6A Azuabie Road Port harcourt.

Nature of business: The business is a partnership of three siblings; Lambert Tamuno-mieibi, Lambert Boma and Lambert Tamuno-Miebaka

Statement of financial need: Capital needed to start the business= ₦ 60,000,000

***THIS REPORT IS GOING TO BE CONFIDENTIAL TO THE ENTERPRENUER.***

***Table of content;***

* Executive summary-----------------1
* Name of Company------------------2
* Products-------------------------------3
* Location-------------------------------4
* Industry analysis---------------------5
* Market analysis----------------------6
* Business environment-------------7
* Segment of the area---------------8
* Human resources-------------------9
* Production plan---------------------10
* Brief description on manufactory process------11
* Business cycle-------------------12
* Marketing plan---------------------13
* Production forcast-----------------14
* Organization plan-------------------15
* Assesment of risk and financial plan--------------------16-17

EXECUTIVE SUMMARY

* The name of the firm is **FRUTAS FRESCAS AGRICULTURAL FIRM.** Registered with CAC.
* The firm is located at **No. 6B Azuabie Road.**
* The firm operates a partnership with 3 partners; **LAMBERT TAMUNO-MIEIBI, LAMBERT BOMA AND LAMBERT TAMUNO-MIEBAKA.**
* The firm deals with production of food crops like **bags of rice and tubers of yam**. Also deal with the production of cash crops; **Cocoa.**
* The firm has a take off staff of 102. **There are 100 workers and 2 managers.**
* The firm requires a capital of **₦ 60,000,000**
* The firm’s total expenditure per annum =**₦ 48, 176, 000**
* The firm’s total income per annum =**₦ 118,610,000**
* The firm’s net profit per annum =**₦70,434,000**
* Each partner gets **6.2% per annum**

NAME OF COMPANY:  **FRUTAS FRESCAS AGRICULTURAL FIRM.**

The stated name is registered with the Corporate Affairs Commission.

This path of business was chosen because of the high profit that could be generated and on the other had it ensures availability of food in our society at large.

PRODUCTS: This agricultural firm would be involved in many good especially cash crops like **cocoa,coffee,cotton and rubber**. But looking into availability of food, many food crops would also be produced and procced. These products include: **rice, maize, cassava, groundnut, potato,sorghum and barley.**

LOCATION: **NO. 6B AZUABIE ROAD.**

It’s a massive piece of land with 3 buildings positioned at the centre.

The Port harcourt Slaughter market is opposite the agricultural firm.

The Popular Mile 1 and Mile 2 markets are also within a five mile radius.

INDUSTRY ANALYSIS: **There’s a big gap between the supply and demand of agricultural products.**Looking at the current agricultural data, there are some markets that constantly have shortage of products. Here in port harcourt there are numerous markets like that e.g The Eleme general market have not had tubers of yam to sell for the past 2 weeks to sell. They claim that the suppliers from the north have not gotten the products to them due to transportation problems and other minor issues. But my agricultural firm can always deliver yam to the market because of the proximity.

There’s a high need for agricultural produce not only here in port harcourt but even round the country.

MARKET ANALYSIS: **The target customers are the markets**. The firm plans to supply food crops to the market. The firm has several transportation vehicles to support the delivery of goods. The target is to deliver to as much markets in the country starting with states that are most populated like kano, lagos and kastina. But as an initial start, we’ll deliver food crops to the markets here in port harcourt. We are going to be their main supplier of food crops.

BUSINESS ENVIRONMENT: **Looking at the internal environment of the firm, one of the strengths we’re looking at is the high level of cooperation amongst the workers**. When there’s cooperation there’s going to be an increase rate of production so as to meet up with the market requirement.The firm is going to be capital intensive therefore, there would be more staff with the technology skill.

**One certain thing that could be seen as a threat is malfunctioning or faulty machines and also bad roads that could damage perishable goods.**. This can drastically reduce production rate.

SEGMENT OF THE AREA**: We plan to cover as much areas as possible. But as initial start, we’re aiming to distribute to all the markets in port harcourt**. Then as time goes on we will expand to several markets in several cities.

HUMAN RESOURCES: **The firm is going to have about 100 take off staff and 2 managers**. This is because we’re dealing with production of several agricultural produce and not just one type of produce therefore we need much hands on deck as a start. The staff would be divided into two segments. First segment deals with the production and distribution of grains. The second segment deals with the production and distribustion of tubers. Each segment managed by a manager.

Each manager would be paid **₦70,000** and each worker would be paid **₦35,000** as a start.

PRODUCTION PLAN: The firm mainly deals with manufacturing of finished agricultural products. We then sell to markets in bulk. **The firm operates a capital-intensive type of production**, this is due to the high amount of products we need to supply to the several markets.

BRIEF DESCRIPTION ON MANUFACTORY PROCESS**:**

 **Steps at a glance**

Step 1. Use a crop calendar

Step 2. Choose the best variety

Step 3. Use high quality seed

Step 4. Prepare and level the fields well

Step 5: Plant on time

Step 6:  Weed early

Step 7. Fertilize to maximize returns

Step 8. Use water efficiently

Step 9. Control pests and diseases effectively

Step 10. Harvest on time

Step 11. Store safely

Step 12. Mill efficiently

Step 13. Understand the market

BUSINESS CYCLE: It takes a lot of time to grow plants to reach their maturity stage for sale. For example rice takes about 4-5 months to reach maturity stage.Therefore we have to produce a lot at first before selling so as to enable us to cover the production period without reducing in supply. If we sell as soon as we produce at first, we’ll have to wait another 4-5 months before selling again. Therefore in a case like rice, we’ll have about 500 bags of rice first before we start selling so that the period of 4-5 months when we’ll be producing the next 500 batch, we’ll still supplying to the markets.Rice is one if the most common food crops.

MARKETING PLAN: The firm doesn’t require a lot of advertisement because we don’t deal directly with consumers. We produce and deliver in bulk to the markets. We are already in contact with the several markets we’ll be delivering to here in port harcourt. Then as we expand we deliever to many other markets across the country. The main plan of distribution is by our trucks. We have 5 trucks to run the delivery.

PRODUCTION FORECAST: As an agricultural firm we ensure that we are not out of stock. That’s why the strategy is to produce in bulk of each type of food crop that we’re producing so that when we start selling, we wont be out of stock due to the production-time of the produce.

ORGANIZATION PLAN: The business is a partnership. The names of the partners are as follows:

* **LAMBERT, Tamuno-mieibi, CEO Of Roy’s Ltd**; his company produces agricultural machines. That’s where we’ll get all the machines we need at a good price.
* **LAMBERT, Boma, M**.**D Of Waterlinks**; his company deals with plumbing. He’s going to ensure proper irrigation and good drainage system of the agricultural firm.
* **LAMBERT, Tamuno-miebaka, M**.**D Of Farmer’s Research Institute Nigeria**; the institute trains farmers to become more effcient and professionals. They recruit a lot of farmers just train them in their fields.The platform is where we’ll employ our workers from because they already have the agricultural skill and knowledge. We don’t want to employ novices in the firm because our firm isnt a training platform.

ASSESMENT OF RISK: A firm like ours, we’ll have to consider the possibility of danger. E.g theft of our machines, closed route to target places.

Therefore to curtail these, the firm we’ll take up insurance. Also Fidelity insurance against staff dishonesty. In addition, we’ll have proper security put in palce to ensure safety of lives and properties.

FINANCIAL PLANS:

**CASH OUT FLOW**

|  |  |  |
| --- | --- | --- |
| **MACHINERY** | **COST PRICE** | **COST OF SERVICING/ 4 MONTHS** |
| * Mould Board Plough
 | ₦ 19,550 | ₦ 7,000 |
| * Tine tillers
 | ₦ 293,250 | ₦ 25,000 |
| * Disc Plough
 | ₦ 26,979 | ₦ 10,000 |
| * Disc Harrow
 | ₦ 821,100 | ₦ 75,000 |
| * Farm Trolley
 | ₦ 3,910 | NIL |
| * Bed Plantar
 | ₦ 2,346,000 | ₦ 150,000 |
| * Rotavator
 | ₦ 156,400 | ₦ 35,000 |
| * Seed cleaner grader
 | ₦1,564,000 | ₦ 100,000 |
| * Wheat thresher
 | ₦ 293,250 | ₦ 40,000 |
| * Border disc
 | ₦ 195,500 | ₦ 35,000 |
| * Fertilizer spreader
 | ₦ 977,500 | ₦ 60,000 |
| * Chisel Plough
 | ₦ 50,830 | ₦ 25,000 |
| * Chaff cutter
 | ₦ 58,650 | ₦ 10,000 |
| * 5 transportation trucks
 | ₦ 950,000 | ₦10,000 |
| Total | ₦ 7,756,919 | ₦582,000 |

Cost of servicing per annum= **₦ 1,746,000**

Cost of building staff quarters and farm building = ₦ 3,000,000

SALARIES.

Each worker= ₦ 35,000.

100 workers= 100×₦ 35,000 = ₦ 3,500,000

2 managers = 2 × ₦ 70,000 = ₦ 140,000

Total= ₦ 3,640,000 per month × 12 = **₦ 43,680,000**

OTHER EXPENDITURE

Cost of Gasoline per annum=**₦ 1,250,000**

Cost of Electricity per annum= **₦ 300,000**

Tax per annum= **₦ 1,200,000**

Total Expenditure per annum= **₦ 48, 176, 000**

|  |  |
| --- | --- |
|  ITEM |  SELLING PRICE PER ANNUM |
| 1650 bags of rice  | ₦36,300,000 |
| Other grains | ₦ 5,750,000 |
| 800 tubers of yam | ₦ 2,560,000 |
| Cassava | ₦ 2,000,000 |
| 100 tons of cocoa | ₦ 72,000,000 |

 Total Income per annum= **₦ 118,610,000**

Income per annum – Expenditure per annum= ₦ 118,610,000 - ₦ 48,176,000 =

**₦70,434,000**