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MATRIC NO: 19/ ENG01/020 (DE)

DEPARTMENT: CHEMICAL

COURSE CODE: AFE 202

DETAILS: WRITE A SAMPLE BUSINESS PLAN ON ANY CHOICE AGRICULTURAL VENTURE.

*N/B: ARBITRARY NAMES HAVE BEING USED*

A SAMPLE BUSINESS PLAN FOR THE DEVELOPMENT OF A 250 HECTARE PEPPER PLANTATION AND PROCESSSING ON THE WEST WORLIES FARM AT ABALAMABIE, BONNY, RIVERS STATE BY EVERGREEN AGRIBUSINESS VENTURES AND CONSULTANCY FIRM.

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:

**CONTENTS OF A FEASIBILITY REPORT**

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**Executive Summary/ Brief Description of the Project**

West Worlies Farms is a newly licensed agro – allied farm that has found it maiden operation on the island of Bonny in Rivers State. Extensive detailed market research and feasibility studies have been carried out and we have also acquired a well-placed 300 hectares of land for our cultivations and business process.

We plan to build a business that is going to be a standard farm , hence will be involved in pepper cultivation(by vertical farming), processing, and distribution as pepper is a highly profitable food crop. Various varieties of pepper like atarodo, sweet pepper, shombo and tatashi will be cultivated to meet the high demands of the Nigerian market and after a while exportation of the farm produce to other countries will kick start. The farm would produce about 1500 tonnes of the various varieties of pepper plant which would be proceed and futher distributed.

Well equipped structures have been set up on the farmland to facilitate the farm processes. This project seeks to create some room for employment while help the nation’s foreign exchange by minimizing importation of pepper to meet the local demand.

**Sponsorship**

The project would be sponsored by the partnership of the West Worlies farms that would bring in a bulk of the Capital. The West Worlies Partnership is a limited partnership formed by a group of individuals that have a flare to propagate agricultural economic viability while securing solutions to the problem of food scarcity in the world via their own quota. The Evergreen Agribusiness Ventures and Consultancy firm are taking some stakes too to propagate this business.

**Management**

The board of directors would be at the apex of this project. This board is made up of the General partner of the West Worlies Partnership, all active partners of the West Worlies partnership and managerial experts from Evergreen Agribusiness Ventures and Consultancy firm. The board of directors would be responsible for making key decisions and development of strategies with which the project can use to beat any prevailing competition. They are also laden with the responsibilities for strategies to improve production and processing. There are to ensure compliance to any governmental policies or standards as a regard the project. The General Partner would oversee the day to day running of the business and would be the link between the board and the actual project on the ground. He is responsible for the implementation of strategy as concluded by the boards and governs the financial logistics of the business. The General Partner would establish the organogram and the duties of the employees working under him.

**Technical Assistance**

This would be provided by the alliance of the project with Evergreen Agribusiness and Consultancy Firm. Evergreen firm has a being in conjunction with Thrive Agric ltd. This bond should cater for the technical skills and know-how and necessary farm machinery needed for the fostering of the project.

**Market and Sales**

Market orientation for the first five years would be local. Riving to meet the demands in the South-south, and the South-western part of the nation where there is gross scarcity. After the first five years, necessary consider for possible export would be made based on profit and returns made. If the profit and returns made are still building up to support export duties, there shall be a tarry for another period of five years before exportation begins.

 **Competition Analysis**

 The greater part of pepper production in Nigeria is undertaken in the northern areas of the country, in Kaduna, Kano, Jigawa, Katsina, Sokoto, Plateau and Bauchi states. Data show that these are the major areas of production followed by some areas in the South-western Nigeria. Major food transport trends show the movement of pepper generated up north to the south in order to meet the demand requirements. With Delta state as the main producing state in the South-south region this doesn’t give much competition as studies have shown that the pepper can withstand a large range of climate. In general this project would be viable as there is little or no competition.

**Tariff And Import Restriction**

The ongoing forex ban on importation of food crops would support this project as there is no competition from foreign products.

 **Market Potential**

 As there is a high demand for pepper nationwide, the south-south region which happens to be the situation of the project, would have a good market. Even the south-western regions would serve as a good market for this produce as even the transported produce from the north is not satisfying the nations demand.

**Profitability**

Abiotic constraints pertaining to the climate (drought, flooding, strong winds, extreme temperature and sunlight) and to the soil (moisture and nutrients content) may add up to biotic constraints and lead plants to stress and undergo anatomical and physiological disorders that reduce yield.

There may seem to be a threat poses to the yield of this plant as the area of project situation, is in a region prone to flood. However, with proper channeling of the excess water generated, the crop would thrive and the yield won’t be grossly affected. The upside of this project in this region is the fact that the region is not prone to drought or severe heating hence even in the dry season, there is still a wholesome measure of water available to the water needing-plant for it survival.

**Technical Feasibility**

 The pepper cultivation project is much more viable and feasible. In order to help with the harvesting process so that it is not a totally manual hand-picking process, a mini mechanical harvester has been employed and also a more mechanized way of fertilizers application have been provided for. Expertise training for the workers on ways on more effective packaging for distribution would be given.

Also, with the availably of various drying and grinding machines, and with proficient hands to operate and maintain this machine, drying and grinding of the harvested pepper crop for a longer term storage and distribution.

 **Government and Regulation**

The project would benefit largely from the current government policy that places a ban on the importation of food. It will create economic opportunities, market access, improved income for farmers and support food security objective of government. The project will contribute significantly to employment, output increase, stable price and stable exchange rate.

**Project Timeline**

 The project will be completed within 6 months preferably between November 2020 to April 2021 because land clearing is mostly done in the dry season. While the period of land clearing, the nursery can be started out in the green house while transplanting would be done after eight to ten weeks when the beds would be all set and the pepper seedling ready to go into the ground.

 **Estimated Project Costs and Revenue**

**Fixed Cost**

1. **Land Clearing**

|  |  |  |
| --- | --- | --- |
| **Activity** | **QTY** | **₦** |
| Land Clearing | 1Hectare | 230,000 |
| Ploughing | 1Hectare | 50,000 |
| **Sub total** | 1Hectare | **250,000** |
| **Total** | 250 Hectare | **62,500,000** |

**(B) Equipment**

|  |  |  |  |
| --- | --- | --- | --- |
| **Name** | **QTY** | **MODEL** | **₦** |
| Tractor | 1 | YTO-904(90hp) | 8,802,000  |
| Disc harrow  | 1 | IBJ- 3.0  | 1,267,200  |
| Sub soiler  | 1 | IS-200G  | 1,170,000  |
| Pepper transplanter  | 1 | Weifang Yijia  | 1,620,000 |
| Tripper | 1 | 7CX-8T  | 3,402,000  |
| Boom sprayer | 1 | 3W-1000L-18  | 2,502,000  |
| Front loader  | 1 | TZ10D | 2,365,200  |
| **Sub total**  |  |  | **21,128,400**  |

**(C) Vehicle**

 **Type Model QTY ₦**

|  |  |  |  |
| --- | --- | --- | --- |
|  **Pick up Truck**  |  **HILUX**  | **2** | **30,000,000**  |

**(D) Operating Cost**

|  |  |  |
| --- | --- | --- |
| **Working Capital** |  |  |
|  |  **₦**  | **K** |
| Ploughing/Ha |  15,000  | 00 |
| Harrowing/Ha  |  10,000  | 00 |
| Sub total  |  25,000 | 00 |
| **For 250 Ha** |  **6,250,000** |  **00** |
| Mechanization and storage |  105,000  |  00 |
| **For 250Ha** |  **26,250,000** |  **00** |
| Input / Ha  |  91,825 |  00 |
| **For 250Ha** |  **22,956,250**  |  **00** |
| Area yield insurance |  13,500 |  00 |
| Produce aggregation |  5,500 | 00 |
| Geo Spatial Service |  4,500 |  00 |
| Sub total  |  23,500 |  00 |
| **For 250Ha** |  **5,875,000** |  **00**  |
| Interest per hectare |  22,079 |  25 |
| **For 250Ha** |  **5,519,750** |  **00**  |
| Total cost per hectare |  245,325 |  00 |
| **Total cost for 250Ha** |  **61,331,250** | **00** |
| Loan principal and interest (cost per Hectare) |  267,404 | 25 |
| **Total for For 250Ha** |  **66,851,000** |  **00**  |
| **Water re-channelling cost for 250Ha**  |  **1,000,000** | **00** |

**(E) Amortization**

 **₦**

|  |  |
| --- | --- |
| **Land clearing amortization (per hectare)** |  **30,000**  |
| **Land clearing amortization (250hectare)**  |  **7,500,000**  |

**Funding Mechanism**

 West Worlies partners will provide 250Ha of cleared farmland on the West Worlies Farm. Working Capital would be provided by the West Worlies Partners while machinery and trained personnel would be managed and catered for by the Evergreen Agribusiness Ventures and Consultancy firms.

**Conclusion**

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