

SOLOMON VENTURES

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BUSINESS PLAN FOR THE DEVELOPMENT OF PROPOSED GINGER FACTORY

28<sup>TH</sup> APRIL 2020

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SIGNED;

HELEN SOLOMON, LLB

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## **EXECUTIVE SUMMARY**

*Zingiberofficinale*, commonly known as ginger is a flowering plant whose rhizome is widely used as a spice for food. It originated from Southeast Asia before being exported to East Africa and the Caribbean. The uses of ginger cannot be overemphasized because apart from its culinary use, it also has anti-inflammatory, Anti-fungal and Analgesic properties. It also serves as a means of treating nausea, motion sickness and loss of appetite. Ginger root intake lowers cholesterol levels and protects against colorectal cancer. In the past, people were ignorant of the health benefits of ginger and simply regarded it as a spice for food but with the outbreak of the coronavirus pandemic, it has become public knowledge that ginger helps to boost the immune system and reduces risk of infections. This has caused an increase in the domestic demand for ginger and it is in response to this demand that this initiative was introduced.

This project is aimed at taking advantage of the high ginger production rate in Nigeria to create an avenue for the conversion of raw ginger into dried powder, ginger oil and ginger beverages. The dried ginger powder is to be made for domestic use as a spice or simply an ingredient for baking ginger bread, ginger cakes and ginger biscuits. The company will specialize in converting raw ginger into dried ginger powder, ginger tea and ginger oil.

## **INTRODUCTION**

This proposed project site is within the vicinity of Songhai model farm in Bunu Tai, Rivers State, Nigeria and will occupy a space of 50 acres of land.

- **SPONSORSHIP**

The project is currently sponsored by Songhai Farm which is one of the largest NGO farm projects empowering Africans. The Songhai center was first created by Father Godfrey Nzamujo and currently has branches in over 15 African countries and was recognized by the UN in 2008 as a Regional Centre of Excellence for Africa.

- **MANAGEMENT**

This project is to be managed by the existing board of directors of Solomon Ventures in conjunction with a team of experts in ginger production and farming. The board will consist of shareholders, department heads, experts in agribusiness, the team of ginger production and farming experts and a representative of Songhai farms.

The experts in ginger production and farming have been invited from India, the country with the highest ginger production and these experts are interested in expanding the knowledge of Nigerians on the overall use of ginger. The managing director of Solomon Ventures is a professor of Tropical Agriculture with over 15 years of experience in agribusiness.

- **TECHNICAL ASSISTANCE**

Considering that the rate of ginger production is higher in the North, Solomon ventures has partnered with several farms in Kaduna and Zamfara states where ginger is produced including the Kabacha Ginger plant and the Kachia Ginger Marketers Company for the supply of ginger. Our suppliers are fully capable of transporting the ginger in trucks from the North to the South.

The factory building for the extraction of ginger oil has been donated by Songhai farms and is in good condition to begin production as soon as the Coronavirus pandemic is resolved. The ginger tea will be handmade by professional tea makers to ensure quality natural taste.

Solomon Ventures has been in agribusiness for almost ten years and overtime we have developed a strong relationship with International Institute of Tropical Agriculture, Rivers State Government and Rivers State Ministry of Agriculture. We will rely on technical assistance from these bodies.

## **MARKET AND SALES**

The target market for this project includes domestic users in the south East and south west of Nigeria. We will limit our focus to these two segments.

1. Women within ages 17-40

Between 1997 and 2016 female obesity prevalence in Nigeria grew from 5.3% to 13.1% rising at an increasing annual rate that reached a maximum of 6.02% in 2007 and then decreased to 4.80% in 2016. This is not to say that women are fatter than men but simply to emphasize that women around the target age are very

interested in their body and will do many things to look smaller and slimmer. They feel insecure about their size and are under the impression that outward beauty is the means by which they can attract the opposite sex.

This is why we have decided to produce our Ginger tea because it contains compounds called gingerols and shogaols. Gingerols have anti-obesity effect that helps food to digest faster and stimulate the body to speed digested food through the colon. They also stabilize blood sugar levels which might help in weight loss. Our ginger tea when mixed with lemon juice will help to maximize hydration and suppress appetite. Also our raw dried ginger powder can be mixed with water to make a drink with the same effect as the tea. Ginger also serves as a pain reliever for menstrual pain when taken at the beginning of the menstrual period.

This product will flourish among this target market because most of them do not want to exercise but instead prefer to take teas and drinks to help them lose weight.

## 2. Adults within ages 50 and above

People in this age range often experience various illness coupled with a weak immune system and have a risk of high blood pressure and osteoarthritis. Ginger reduces joint pains and stiffness. It also lowers blood sugars and a recent study in 2015 has shown that ginger has anti-diabetic properties. Significant studies have also shown that ginger can lead to significant reductions in LDL cholesterol and triglyceride levels. This is why we our ginger tea and ginger powder is targeted at these group of people.

- **COMPETITION**

We recognize that people prefer to take all sorts of pills to lose weight and drink all kinds of slim teas with ingredients that they do not even know. These pills end up causing reactions and side effects because of the chemicals they contain. What we offer is the assurance that all our products are made with care for our consumers using no preservatives and additives. The only ingredient is the one we all know and trust-Ginger.

- **MARKETING PLAN**

The marketing strategy is a simple one. We have made alliances with KARIMA, a popular advertising agency that will ensure that all our products are advertised on all mass media platforms. We will also stage an interview with Rhythm 93.7 FM, where our PRO manager will brief the public on the importance of our products.

Using our social media platforms we will begin to create awareness of the importance of our products by partnering with popular social media influencers who will help us to make our ginger product a household name. We will also contact popular Skit makers to create contents that will advertise our products to our target market.

- **TECHNICAL FEASIBILITY**

The project is feasible because ginger is already being ground into powder and used for tea in households across Nigeria. This project is simply taking to a commercial level and applying the use of machines to make the process easier and faster. The needed equipment to dry the ginger and grind it into fine powder are already available and the Indian experts on ginger production are ready to pass on their knowledge to as many people as possible. Some of our experts on agribusiness have predicted that the ginger tea will be a great success especially since it has no



additives and contains pure ginger extract. The generator to power the factory is already on ground as it was donated by our sponsor.

- **SALES PLAN**

Our aim is that at the end of each working day we will have produced 30 bags of dried ginger powder, 50 bottles of ginger oil and 100 ginger tea bags. These will be distributed through trucks to strategic markets and every shop owned by SOLOMON VENTURES. Our products will be sold in retail.

## **GOVERNMENT SUPPORT**

This project will create employment for over 50 young adults and thus help in youth empowerment. It will also help in reducing crime rate because the employees will include able bodied unemployed young men living in rural areas. The ginger factory will help to create economic diversity considering that crude oil has begun to fail Nigeria. Restriction of forex for all food products will also widen market opportunity.

## **TIMELINE**

This project will be ready to take off at exactly one year after the Coronavirus issue has been resolved. The first six months is the estimated number of months it will take for the country to recover from the economic and social effects of the pandemic. The remaining six months will be used to gather employees and establish more rapport with our suppliers and distributors.

**FINANACIAL EVALUATION**

## START UP ASSETS

NAME	BRAND NAME/MODEL	PRICE(NAIRA)	QTY
Industrial ginger washing and peeling machine	wanlong model QX-08	858,186	2 sets
ginger oil extraction machine	LTPM CHINA	7,805,246	1 set
ginger dryer	HUA YUAN model GWM -30A/B-L	8,659,180	1 set
S04 304 stainless steel ginger slicer	Jiu Ying	306,355	1 set
tunnel small tea processing machine	ADASEN model JN-12	3,902,623	1 set
C18 tea bag packing machine	Sengong	3,707,491	1 set
Trucks	HILUX	30,000,000	5 sets
TOTAL		55,239,081	

START UP EXPENSES	
permit + lease deposit	800,000

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Contingency	200,000
packaging materials	500,000
building improvement	100,000
working capital	1,000,000
Pre-opening expenses	500,000
<b>TOTAL EXPENSES</b>	<b>3,100,000</b>

TOTAL START UP COST= #58,339,081

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EQUIPMENT MAINTENANCE	100,000
SALARY	1,000,000
EMPLOYEE RELATED EXPENSES	30,000
TRUCK FUELING AND MAINTENANCE	150,000
FACTORY CLEANING	50,000
STORAGE FACILITY	200,000
GENERATOR MAINTENANCE	100,000

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SUPPLIER FEES	600,000
TOTAL OPERATING COST	2,230,000

- **FUNDING**

This project will receive funds from Songhai Farms, in addition with the standby generator and the donated building. Solomon Ventures will also set aside 15 million Naira for the project. We will also collect a loan from the Bank of Agriculture.

- **CONCLUSION**

Having presented our business plan for the proposed Ginger factory, we recommend that the project is feasible and can become a success if more funds are made available.