**RICE PROCESSING MILL BUSINESS PLAN**

 Presented by

**NAME: OKOLO KOSISOCHUKWU ANN**

**MATRIC NO: 18/MHS02/134**

**COLEGE: MEDICINE AND HEALTH SCIENCES**

**DEPARTMENT: NURSING SCIENCES**

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**LECTURERS: MR. SALAMI ABDULRASHEED**

 **MR. OLUWASUSI JOHN TOYIN**

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**INDUSTRY OVERVIEW**

Rice milling is a very important process in post-production, as this is when the husk and bran layers are removed to then produce edible white rice that free of impurities. However, milling of the rice is usually dependent on the preference of the customers, which would invariably affect how many milling processes the rice would have to go through.

Rice milling businesses have grown over the years in Nigeria and this is due to the fact that rice is now a staple food the country, and is eaten almost every day and especially during special occasions. Fortunately, since there hasn’t been any alternative to rice, this is a business that would continue to boom for a long time.

Even though most of the rice consumed in the country is imported, however to in Nigeria, it is a different ball game. There is large rice farms where rice is harvested locally, thereby ensuring that the rice can be milled locally.

The milling production is one that can help in employing several hands that would help boost the economy and also help increase the per capita income of those employed as well as their dependants. Even though this is a profitable business to go into, it is also very competitive as more entrepreneurs are seeing the benefit this sort of business poses as a worthwhile investment.

**EXECUTIVE SUMMARY**

Gold Rice Mill Production is a business that is legally registered and licensed operating in Kuje. We were duly registered in the Nigeria and have also carried out all the local requirements needed from us here in Kuje.

The services offered by our company include milling of rice depending on the specification of the individual client. We cater largely to producers and sometimes wholesalers because they know what the market needs are. Other products and services that are offered by us include the sale of the rice hull, bran layers, rice germ as well as fine broken which are all by products gotten from milling the rice. We also provide storage facilities as well.

Due to the fact that the market is not only profitable but competitive as well, we strive to always give quality service to our customers, this we do by listening to their requirements and also passing along advices and tips that might best make them become better, while also listening for suggestions to improve our business as well.

Our rice mill production business premises are in a location that is convenient for our customers to get to as well as our employees.
We constantly seek for ways, by which our services can be improved, from our milling machines and storage facilities to our customer services and even our price rates. We also do not compromise on integrity as we adhere strictly to the company’s corporate culture at Gold Rice Mill Production Ltd.

In increasing our customer retention, we are fully aware of the importance of loyal customers and how they help grow the bottom line of a business. We have several strategies in place for our loyal customers especially those who help refer new customers to Gold Rice Milling Production Ltd.

Our customers will also be constantly informed of changes carried out as well as receive tips from us as we plan on seriously engaging them through our website and social media platforms, even as we intend to deploy customer management software that will help ensure that our customer database is up to standard.

Gold Rice Mill Production Ltd is owned and managed by two people, Miss Okolo Kosisochukwu and Mr Philip Okolo with vast knowledge in this industry and who are partners in the business. Financing the business will be done by the two partners, with loans sourced from lending institutions and private investors. Both partners will be actively involved in the day to day running of the business.

While Mr Philip Okolo has a Masters’ Degree in Business and a Project Management Certification and a degree in Agricultural Economics; Miss Okolo Kosisochukwu has a degree in Nursing Sciences. Both have a cumulative business experience that spans over 10 years in the industry, and this will help bring the needed experience required to run this business.

**OUR PRODUCTS AND SERVICES**

Gold Rice Mill Production Ltd is a company that has a standard license and is also fully registered, and like every other business out there its aim is to minimize cost while maximizing profit and output. Asides, rice milling, it will also seek to engage in other services.

The products and services that will be made available to customers include;

* Milling Rice
* Sale of Milled Rice
* By-products
* Storage Facilities
* Transport Facilities

OUR MISSION AND VISION STATEMENT

Our vision is to become the foremost rice milling production plant in states that have rice farms.

Our mission is to ensure that we deploy the best milling machines in ensuring that our customers get the best service from us.

We also intend to provide the best customer service so that our customers not only come back, but refer new clients to us as well, thereby giving us an edge over our competitors.

**OUR BUSINESS STRUCTURE**

Gold Rice Mill Production Ltd intends to become a well-known brand nationally, which means we not only intend to be well known in F.C.T.Abuja but also beyond the environs of the state. This will be achieved through our various strategies aimed at ensuring we achieve that claim.

We know how important our customers are, and so while we develop other important strategies aimed at moving the company forward, we will put our customers first by ensuring that we provide a quality customer service that is second to none. Aside from promptly attending to the complaints and enquiries of our customers, we intend to use the best Customer Relationship Management (CRM) software that will help in providing this quality service.

While treating our external customers is topmost, we intend to also give a high priority to our internal customers, such as our employees and stakeholders, for we know how important having dedicated employees with the right attitude is.

We intend to ensure that our employees in all our locations understand our corporate culture as well as our vision and objectives. We intend to employ those with the right skill set and understanding of our policies into these positions;

1. Managing Directors
2. Rice Mill Production Manager
3. Floor Supervisor
4. Accountant/Cashier
5. Admin and Human Resource Manager
6. Quality Inspector
7. Machine Operators
8. Store Manager
9. Machine Maintenance Workers
10. Truck Driver
11. Security Guard

**JOB ROLES AND RESPONSIBILITIES**

**Managing Directors (Owners):**

* See to the day-to-day management of the business, which includes direction, supervision and human resource issues; while carefully contributing to the interest of the business.
* Responsible for ensuring that contracts with business partners and clients are negotiated in favour of the business.
* Ensuring that the agreements and obligations of the duly monitored and fulfilled according to the practice of the business.
* Responsible in ensuring that bills, payroll taxes and salaries are paid accordingly.
* Responsible in ensuring the company remains afloat with a healthy bottom line.
* Investment of cash assets that is short-term in nature with low credit loss risk.
* Responsible in ensuring that the financial affairs as well as the accounts of the company are up-to-date and accurate.
* Responsible for the creation of company policies, structure, vision, goals and objectives as well as company culture.
* Draft strategies that would move the company forward and also remove or modify strategies that aren’t working well.

**Rice Mill Production Manager:**

* Oversees the staff and ensure that they follow company guidelines and policies.
* Responsible for leaves and vacations.
* Responsible for resolving complaints and issuing off queries.
* Reports directly to the managing directors especially in matters that are above his jurisdiction.
* Responsible for ensuring that the mill runs efficiently.
* Comprehends directives from the Managing Directors and translate them to those below him as well as staff.
* Evaluate employees based on their performance and progress from time to time and now those bound for promotion.
* Ensure that quality control is maintained.
* Ensure that the services are meeting up to customer needs and requirements.

**Floor Supervisor:**

* Responsible for maintaining the production areas.
* Coordination of daily operations on the floor of the mill by allocating tasks.
* Supervises mill workers and also responsible for their performance.
* Ensures that the mill production machines are in good working conditions, and reporting maintenance issue to the appropriate department.
* Ensures that production operations are performed in accordance with laid down standard of the company.
* Assists Manager with training requirements.
* Complies with the mill security, as well as ensure that all regulations such as fire and health are strictly adhered to.

**Accountant/Cashier:**

* Responsible for ensuring that invoices are booked into the right account.
* Responsible for reconciliation of both cash and bank statements by month end.
* Ensures on-time payment of all invoices.
* Ensures that cash is kept in a safe place and know the minimum and maximum level.
* Carries out accounting operations that relate to cash handling.
* Ensures that the correct taxes are deducted and paid.

**Admin and Human Resource Manager:**

* Responsible for the recruitment, selection, training and development of employee.
* Carries out regular performance appraisals on employees.
* Responsible for employee welfare.
* Responsible for employee retention and so drafts strategies that would ensure that retention is high while also working hand in hand with the Manager.
* Ensure that employees remain motivated by influencing internal and external incentives.
* Maintain proper and accurate personnel files.

**Quality Inspector:**

* Responsible for final inspection.
* Corrects whatever faults are found during the milling process and ensuring that the customer has a better finished product according to the stated requirements.
* Works with manager and floor supervisor to ensure that the customers are satisfied always.

**Machine Operators:**

* Prepares the machine before each procedure.
* Runs the machine according to standard production procedures.
* Responsible for trouble shooting light tasks such as machine breakdown that might occur during production.
* Responsible for cleaning the machines and ensuring that they are recalibrated for the next task.
* Ensures optimum efficiency of machine by monitoring the machine during procedure.
* Ensures that regular maintenance is carried out.
* Provides relevant information regarding machine to floor supervisor.

**Store Manager:**

* Carries out store operational requirements.
* Responsible for store staff by disciplining, coaching, monitoring as well as appraising work ethics.
* Works hand in hand with the Manager.
* Ensures that store is well ventilated and clean.

**Machine Maintenance Workers:**

* Carries out thorough cleaning of machines and its parts.
* Dismantles machines for effective repairs.
* Reassemble machine after repair work has been carried out.
* Works hand in hand with floor supervisor.
* Replace or change machine parts.

**Truck Driver:**

* Responsible for loading and unloading of truck
* Ensures truck is kept clean at all times
* Carries out light maintenance work on truck routinely
* Works hand in hand with Manager especially when enroute a location

**Security Guard:**

* Ensures the facility is secure at all times.
* Scrutinizes incoming and outgoing vehicles.
* Submits security report regularly.

**SWOT ANALYSIS**

A rice mill production business is a capital and labour intensive business, and so would require huge sums to start up. Our awareness of this fact has created in us a resolve to ensure that the business becomes profitable and breaks even in its second or third year. This is where our experience comes to bear and separates us from newbie entrepreneurs that have no knowledge of the business.

We know how necessary carrying out a SWOT analysis is for any business and while we would attempt to do these ourselves, we also have gotten input from an expert consultant on certain trends. The SWOT analysis that we conducted with input from an external consultant for our Gold Rice Mill Business in Idaho is as follows;

**Strength:**

Gold Rice Mill Production Ltd is strategically located close to several large rice farms in kuje, Abuja; the location is regarded as strength because of the convenience to several strategic customers.

Other strengths of Gold Rice Mill Production Ltd include the offering of additional but related services such as storage facilities, sale of milled rice by-products as well as transport facilities for customers. We also consider our excellent and prompt customer service to be a strength as it offers us a competitive advantage.

**Weakness:**

Our perceived weakness stems from the fact that we seem to be operating regionally, as it could take a while for us to be seen as a national business instead of a regional business.

**Opportunities:**

Without an iota of doubt there are loads of opportunities in Abakaliki. The market is a very big one and we would also have the opportunity to market our good to other parts of Nigeria as well as other parts of the world. Our nearness to the big market will be of great advantage while also work critically at converting potential consumers to actual clients.

**Threat:**

There are several threats that face every business and this is the downturn of the economy as well as the arrival of close competitors to the market.

**MARKET ANALYSIS**

**Market Trends**

The fact that more rice farms are springing up locally has seen more rice mills spring up all over the country to be able to meet the demands of the rice farm owners. This has made the business become more competitive as rice mills strive to leverage on every competitive advantage chief of which is offering additional but related services as well as continually improving on its customer service.

Another trend is to open more storage facilities across different locations, this way customers that are far from the mills do not have to worry about having their products stored so far away. This is a competitive edge over most rice mill production businesses.

**Our Target Market**

In carrying out a thorough research, we were able to site our business in Kuje due to the various rice farms in the state. The location also brings us in close proximity to other states within the region where there are several rice farms as well.

The location will be of immense benefit to rice farm owners as well as wholesalers who get their unmilled rice from other regions; thereby allowing them to quickly cater to the teeming customers that abide.

**Our Competitive Advantage**

From thorough research and due to the profit viability of this business, several rice mill production businesses have sprung up not only in Kuje but in other regions that are close to offer a stiff competition as well. Kuje has various rice milling production plants as well as several others in other states that are close to it.

Our research did not however look into what sort of completion we were likely to have but also what their weaknesses were so that we could come up with strategies that would ensure we have competitive advantage over them and become the go-to rice mill production plant for our target customers.
One of our competitive advantages is in ensuring that we are strategically located. Our production plant is not only located close to good roads, making it easier for our customers to reach us, but our storage facilities which are spread all over also located in strategic points enabling us to not only attract but retain customers as well.

Another competitive advantage we have is the vast combined experience of the owners who have not only brought this in to bear on the business but have also given them an edge in being proactive in the market by ensuring that unique solutions are given for every challenge and obstacle that arise during the course of running the business.

Asides, from offering additional but related services; we tend to employ the only the best hands to help run the business, but also employees that understand the vision and philosophies of our business and know how this translates to offering the best service to our customers. We intend to ensure that the working conditions for our employees are the envy of other employees from our competitors.

**SALES AND MARKETING STRATEGY**

**Marketing Strategy and Sales Strategy**

Our marketing strategy would be hinged on providing standard milling production services as well as additional but related services to our customers. We intend to cultivate a loyal customer base where we not only increase our customer retention but also attract new customers to patronize our services.

We intend to use our loyal customers to get new customers by deploying a referral system that would see the customer get a discount or recognition in return for referring new customers to us.

Other strategies we intend to adopt is in ensuring that we engage existing and potential customers on our social media platforms, and also from time to time give out tips and suggestions that will ensure that the businesses of our clients improve.

We also intend to engage in massive publicity through our website as well as other forums that are agro related so as to garner more customers. Some of the marketing and sales strategies that we will adopt include;

* Introduce our business officially to rice farmers and large dealers in the rice business both in Abakaliki and the immediate environs by meeting personally with them and telling them of the benefits they stand to gain in using our services.
* Ensure we open as many storage facilities as possible spread across several strategic locations.
* Make use of our official website in promoting our rice mill by deploying SEO to ensure that it tops the online search for potential customers
Make use of our social media platforms such as LinkedIn, Facebook and Twitter to promote our brand.
* Ensure that our rice mill is advertised on radio, television and even in local and national newspapers.
* Meeting and exceeding the expectations of our clients and through this improving the performance of our brand.
* Ensuring there is a consistency in customer experience in all our locations.
* Use attractive billboards and banners to ensure that potential customers are aware of our services.
* Create awareness by passing out handbills and fliers and pasting same in strategic areas.
* Ensure that we deploy the direct marketing approach.
* Make use of word of mouth marketing to increase awareness of our existence and invariably our products and services.

**Sources of Income**

Like every other business, Gold Rice Mill Production was established with the intention of making profit, in the agro-allied industry. This means that generation of income via several sources is our top priority, and this would be done via our main service as well as other additional but related services that we would be offering as well.

We intend to generate income by offering the following services listed below;

* Rice Milling
* Sale of milled rice by-products such as rice hull, bran layers, rice germ and fine broken
* Transport facilities
* Storage facilities

**Sales Forecast**

 The forecast for our sales will largely be hinged on where we are located and this we intend to achieve by being located in an area that is centrally located and easily accessible so as to easily attract more customers especially potential ones. We know that having more customers translates to an increase in generation of revenue.

Asides having a good location, we intend to ensure that our machines and other facilities especially that of storage is not only up to standard but also continually reviewed and inspected by our internal inspectors so that our customers can continue to have faith in our business.

In critically analysing the agro-allied and processing industry, and after several researches and feasibility study, we have confidently come up with a sales forecast that we feel isn’t extravagant and will moderately serve as a model for us and our stakeholders.

Our several years of experience were brought to bear in the sales projection as we were entitled to several information that is not necessarily available to greenhorn entrepreneurs. Below are the sales projection for Gold Rice Mill Production limited that is based on several factors that relates to small and medium scale enterprises in major countries in the world;
First Fiscal Year-: N14,250,000

Second Fiscal Year-: N19, 000,000

Third Fiscal Year-: N23, 750,000

The projection done above is strictly based on all factors being equal such as stable economic growth and lack of strong competitors offering same services and products with same location. Our sales forecast is averagely moderate and stakeholders must be warned that depending on how factors change, projections might increase or decrease.

**Publicity and Advertising Strategy**

We know how important publicity is for any serious business that intends to not only make profit but become a well-known brand in the industry as well. To this effect, we have several strategies in place that is aimed at increasing the awareness of our rice mill production company in the minds of our customers.

We intend to use conventional and non-conventional means of promoting Gold Rice Mill Production Ltd. We know how important it is for our immediate customers to accept our rice mill and then ensure it is the preferred go-to mill for their rice products.

We know that a good standing in the location where we are based, will invariably affect our other branches that will be in other regions positively.
While we intend to carry out some of the publicity strategies ourselves, we realize that to be able to fully put in our best efforts into the business, we would likely hire a consultant that would help us come up with and deploy the strategies that have been deemed effective.

Some of the publicity and advertising strategies that we intend to deploy for our Gold Rice Mill Production Ltd include;

* Create awareness amongst rice farmers by visiting rice farms.
* Using our social media platforms – such as WhatsApp, Instagram, Facebook, LinkedIn and other agro forums – to educate the public on the benefit of milled rice and the various stages involved.
* Engage in community related programs especially those that would target the youths.
* Distribute our fliers in target areas and paste our handbills in conspicuous strategic locations.
* Place adverts in local and national newspapers, radio stations, and also on television.
* Make use of bulk messaging platform to create awareness
Carry out Facebook, WhatsApp and Instagram targeted advert so that we are able to reach the right customers.
* Ensure that we place billboards in and around strategic points in major cities in the region.

**Our Pricing Strategy**

We know our important getting the right pricing structure is at Gold Rice Mill Production Ltd. We intend to ensure that there are several pricing packages based on the requirements of our customers and their budget as well.
Our pricing rates will not be done in isolation, as we would check what is being offered by our nearest competitors and ensure that we peg our prices around what is obtainable especially if the pricing is fair, this way we would not unnecessarily create a price war.

Finally, our pricing will also take into account what our cost of production as well as overhead is; this is so that we do not run the business at a loss. We however, would strive to ensure that we minimize cost to the lowest level.

**Payment Options**

We intend to adopt a payment policy that will cater to all the classes of customers that will patronize us at Gold Rice Mill Production Ltd. We intend to make sure that our payment options abide by all the financial rules and regulations of the states where we would be operating from.

Listed below are the payment options that Gold Rice Mill Production Ltd will make available to its customers;

* Cash payment
* Point of Sale (POS) Machine payment option
* Payment via bank transfer
* Payment via check
* Payment via online bank transfer

The banks with whom we have partnered with for our rice mill production business is one that will ensure that customers have a smooth time during payment without unnecessary stress. Our bank accounts will be available on request.
Those that wish to make payments online will need to fill out a contact form that will specify their request and invariably what they would need to pay. Those who would pay offline would need to physically visit our location to obtain a payment voucher which is based on what the requirements of the customer are, as payment differs according to the needs of the customer.

**Start-up Expenditure (Budget)**

The cost in starting up any business is usually dependent on the size and scale of the business in question. If you intend to start up a small scale business whose size is small in terms of employees and size of facility, your start-up expenditure cannot then be compared to those who intend to start on a large scale, having a large facility and several machines and also employing several hands.

This invariably means that your start-up budget will depend exactly on what you intend to achieve with your business and the vision you had in mind as regards the business.

Even though the standard milling machine used in rice milling production businesses is basically the same, having more than one of the machine will see your cost tripling. However, costs of the machine and tools to be used are usually the same with few cost difference in-between which would depend on where the machine would be coming in from (foreign country) or locally.

This does not mean that you cannot get the machine for fairly used from other rice mill production plants; however, ensure that the machine is in a good condition so that you don’t end up spending more to fix it up. Regardless of all the above listed factors, there are several basic requirements that you would need to fulfil if you intend to start your own rice mill production business;

* Business registration and incorporation fees – N150,000
* Obtaining licenses and permits – N50,000
* Insurance (equipment, vehicle, and workers’ compensation as well as general liability) – N50,000
* Marketing, promotion and publicity expenses for at least six months – N24,000
* Rent and renovation of facility for operation and storage facilities for at least one year – N250,000
* Cost of hiring a publicity consultant – N20,000
* Operational cost for the first three months which would include employee salaries and payment of bills – N1,500,000
* Start-up inventory – N90,000
* Other start-up expenses (POS Machines, utilities, and stationeries) – N300,000
* Purchase of truck for use in operation – N250,000
* Purchase of furniture and gadgets (computers, printers, photocopiers) for administrative section – N163,930
* Cost of store equipment (security, ventilation, racks) – N800,000
* Cost of launching a secure website – N110,000
* Miscellaneous (signage, business cards) – N300,000

From the above requirements, an estimate of N10, 789,180 would be needed in order to successfully set up a standard rice mill production plant in Kuje, Abuja. The amount includes the salaries of all employees for the first three months of operations.

**Generating Funding / Start-up Capital for Gold Rice Mills**

We have the sufficient experience to know how important finance is to any business either profit or non-profit. Without finance, an idea remains an idea, and every entrepreneur worth his salt knows that to make an idea become a reality, funds have to be sourced for.

Gold Rice Mill Production Limited is a business owned by two partners with several years of cognate business experience and while it might seem ideal to use funds from their pockets, they would rather intend to lend a huge amount of the equity instead.

Some of the major areas where they intend to source for loans include;

* Generating a certain amount from personal savings
* Applying for loan from a commercial bank
* Approaching willing investors

Part of the equity that has been generated by us for the rice mill production business, amounts to N2,000,000 and N5,000,000 each gotten from our personal savings. We intend to source the remaining N3, 789,180 from commercial banks or from any willing investor.

**Sustainability and Expansion Strategy**

We do not intend to start a company that will die off anytime soon, and so we have several sustainability strategies in place to ensure that our business lasts as long as we want it to. Our sustainability strategy is in ensuring that the right corporate structure and foundation are in place as this will provide a guide to what we intend to achieve.

We know that happy employees lead to more growth and productivity of any business and so we will ensure that the welfare of our employees remain paramount. We intend to ensure that employees are rewarded based on performance and we also intend to share a certain amount of profit with our management team.

We also intend to ensure that our customer retention strategy is high as we know that our bottom line can only remain healthy if our loyal customers are retained at a 90% rate. Asides, our customers, we also intend to ensure we invest in the business continually, and moderate our expansion so that we do not grow and spiral out of control.

Once the above factors are put in place, we are sure to be able to not only sustain and grow our business effortlessly but also expand the business as at when due.

**Check List / Milestone**

Business Name Availability Check: Completed

Business Registration: Completed

Opening of Corporate Bank Accounts: Completed

Securing Point of Sales (POS) Machines: Completed

Opening Mobile Money Accounts: Completed

Opening Online Payment Platforms: Completed

Application and Obtaining Tax Payer’s ID: In Progress

Application for business license and permit: Completed

Purchase of Insurance for the Business: Completed

Leasing of a facility and renovating the facility as well: In Progress

Conducting Feasibility Studies: Completed

Generating capital from family members: Completed

Applications for Loan from the bank: In Progress

Writing of Business Plan: Completed

Drafting of Employee’s Handbook: Completed

Drafting of Contract Documents and other relevant Legal Documents: In Progress

Design of The Company’s Logo: Completed

Graphic Designs and Printing of Packaging Marketing / Promotional Materials: In Progress

Recruitment of employees: In Progress

Purchase of the needed furniture, racks, shelves, computers, electronic appliances, office appliances and CCTV: In progress

Creating Official Website for the Company: In Progress

Creating Awareness for the business both online and around the community: In Progress

Health and Safety and Fire Safety Arrangement (License): Secured

Opening party / launching party planning: In Progress

Establishing business relationship with vendors – wholesale suppliers / merchants of cooking gas: In Progress

Purchase of delivery truck: Completed