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DEPARTMENT: NURSING

MATRIC NO: 18/MHS02/074

COURSE: AFE 202

1) PREPARE A BUSINESS PLAN ON A CHOSEN AGRICULTURAL ENTERPRISE FOLLOWING THE GUIDELINE IN THE NOTE.

A BIUSINESS PLAN FOR THE DEVELOPMENT OF A EIGHT HUNDRED HECTARES PLANTAIN PLANTATION AT FUNTURA FARM, LAGOS STATE, NIGERIA BY GEFTAM AGRIBUSINESS VENTURES AND CONSULTANCY CONFIDENTIALITY AGREEMENT.

The undersigned reader acknowledges that the information provided in this business plan is confidential intellectual property, and has agreed not to disclose information to a third party without the permission of the promoters of the business plan. The reader acknowledges the fact that this information is confidential in nature and therefore knows the harm and damage it could cause to the promoters if he discloses information about the business plan.

Upon request, the document is to be returned to the promoters of the proposed business.

Signature: 

Name: Enechukwu Chidumebi

Date:23/04/2020

Executive Summary/Project Description

This business plan examines the feasibility as well as the economic viability of the 800 hectares plantain plantation in Lagos by funtura and funtura farmer's cooperative society limited. The farm will produce about 100,000 suckers of plantain in a production cycle. The plantain that is produced from this farm would also be used to start a plantain chips business since it has been noticed that a lot of people tend to consume plantain chips leading to a higher demand for it and the market has been failing to supply this chips due to low production by agricultural enterprise. Production is popular in calabar and delta as the lead producers.

The proposed project will create economic opportunities as well as helping to conserve scarce foreign exchange. The entire plantains produced will be purchased from small holder farmers in other production areas. This project will improve the plantain scarcity in market, improve income of farmers and contribute generously to food security.

Sponsorship

This project is sponsored by Mr Blake Funtura who is the owner of funtura poultry and has currently decided to invest in funtura plantation. Blake Funtura is known to have been successful in the poultry enterprise as the eggs produced from his poultry is widely consumed in Nigeria. GEFTAM

agribusiness ventures and consultancy will be responsible for the management consultancy of the projects.

Management

The management will comprise of a democratically elected board of directors at apex of the organization structure. This would be made up of shareholders and members of the cooperative who play an active role in facilitating access to credit, procurement and storage distribution, marketing of products and also raising objections or giving approval to the actions and management of the enterprise in order to ensure success of the company.

The managing director/president shall be held responsible for the co-ordination of the day to day management of the cooperative business. He is held responsible for any problem in the enterprise and will ensure that the resources needed to achieve set goals are provided. He is to manage business risks and focus on wealth creation.

Technical Assistance

The enterprise has working relationships with IITA(international institute of tropical agriculture) and this has enhanced crop quality and productivity, reduced producer and consumer risk, and also generated wealth from agriculture. Their ultimate goal has been to reduced hunger, malnutrition and poverty and they have gone a long way towards ensuring that. Funtura enterprise has a working relationship with lagos state government, lagos state ministry of agric, farmer's union, and individual farmers. The university will get technical support from this relationship.

Market and Sales

Market orientation: domestic; south south, Nigeria

Market share: 10% niche market in south south, Nigeria

Users of products: plantain chips and plantain meal for human consumption.

Competition analysis

Delta state alone produced 44% of national output between 2000 and 2020. Calabar state produced 27% of national output within this period. Akwa-ibom, bayelsa, edo and rivers state produced 6% below in the period. The six states mentioned produced 94% of national output within this period.

Based on the above analysis, competition in terms of production in south south is existent compare to the demand for produce.

Tariff and import Restriction

Forex restriction on food importation and zero duty on imported agricultural equipment will favour the project under consideration,

Market Potential

There is a strong demand for plantain,plantain chips and plantain meal which is derived from it in

the south south part of Nigeria. The state of infrastructure supports production and trade within Nigeria.

Profitability

External factors such as weather/climate, (sunlight,water,temperature,etc), seed pests, number of production units, production per units, direct costs, value per unit, overhead costs, price fluctuations and other risks could affect yield and profitability. However some measures can be adapted in order to increase profit such as irrigation, increase in production units, etc.

Technical Feasibility

The project (plantain and its derivatives) are technically feasible. The process of drying plantain and turning it to chips are very simple and experts have been employed. The equipments needed for processing the plantain to meal which can further be processed to flour are available and due to experts in our business the equipments are handled well and properly maintained.

On the plantain production, we have specialists in mechanization, irrigation, farm management, crop production, weed science, ,market development, agric extension and accounting as part of our management team. We have specialists in quality control as part of our management team. The state of infrastructure in lagos is adequate and suitable for the location of the farm/firm for efficient production, processing and marketing. Raw materials will be produced and sourced locally.

The major competitors in the south south are mamagold plantain meal and dangote plantain meal. Mamagold has an installed capacity of 5000 plantain suckers in calabar while dangote has 3000 suckers in delta. Funtura farm will target a market niche and penetrate through cooperatives societies to make our brand popular. Integration and processing will give us a competitive advantage.

Government support and Regulation

The project conform with the economic diversification objective of the government. It supports foreign exchange and reduces importation. It creates economic opportunities,market access, improved income for farmers and support food security objective of government. The project will also benefit from government intervention fund in the agricultural sector and also benefit from favourable policy of zero duty for agricultural and equipment import. The project will contribute significantly to employment, output increase, stable price and exchange rate.

Project Timeline

The project will be completed within 10 months preferably between april 2020 to January 2021

Estimated Project Costs and Revenue

Fixed cost

(A) land clearing

Activity	QTY	₦	K
Land Clearing	2 hectare	460,000	00

Cross cutting	2 hectare	40,000	00
Rome ploughing	2 hectare	100,000	00
Sub total	2 hectare	600,000	00
Total	2 hectare	2,400,000	00

(B) Equipment

Name	QTY	MODEL	USD	₦	K
Tractor	1	PTO-119	30,000	10,800,000	00
Disc harrow	1	GGG-4.6	4,000	1,440,000	00
Sub soiler	1	ES-300G	2,000	720,000	00
Soy seeder	1	2GTY-9A	8,500	3,060,000	00
Tripper	1	4CX-9Y	5,500	1,980,000	00
Combine harvester	1	2K-1000	170,000	61,200,000	00
Boom sprayer	1	7YT-6	8,000	2,880,000	00
Front loader	1	FR29K	9,000	3,240,000	00
Sub total			237,000	85,320,000	00

(C) Vehicle

Type	QTY	Model	₦	K
Truck	2	HILUX	50,000,000	00

(D) Irrigation

Type	QTY	Model	₦	K
Hose reel	2	550-TMC	2,000,000	00

Operating cost

	₦	K
Working capital		
Ploughing/Ha	25,000	00
Harrowing/Ha	15,000	00
Sub total	40,000	00
For 800 Ha	25,000,000	00
Mechanization and storage	405,000	00
For 800Ha	50,000,000	00
Area yield maintenance	15,500	00
Produce aggregation	6,500	00
Geo spatial service	5,500	00
Sub total	4,500	00

Amortization

	₦	K
Land clearing amortization(per hectare)	50,000	00
Land clearing amortization (800	40,000,000	00

hectare)		
Revenue		
Yield per hectares 1000 suckers@ 75,000 per sucker		
	₦	K
Revenue per hectare	700,000	00
For 800ha	635,000,000	00
Net revenue without amortization	5,000,000	00
Net revenue with amortization	88,000,000	00
2 nd production cycle		
Net revenue	35,000,000	00
Net revenue with amortization(800 ha land)		
Annual net revenue	100,000,000	00

Currency conversion rate: ₦360.00 to USD

FUNDING MECHANISM

Equity investor to provide equity for equipmenty and vehicles purchase

Where possible equity investor to provide equity for working capital or otherwise secure loan at the rate of 9% through government intervention window at the bank of industry and commercial banks.

Conclusion

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