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MATRIC NUMBER: 18/LAW01/186

DEPARTMENT: LAW

COURSE TITLE: FOOD PRODUCTION AND HEALTH AWARENESS

ASSIGNMENT

PREPARE A BUSINESS PLAN ON A CHOSEN AGRICULTURAL ENTERPRISE FOLLOWING THE GUIDELINE IN THE NOTE. SPIRAL BIND AND SUBMIT UPON RESUMPTION. MINIMIUM OF 5 PAGES, TIMES NEW ROMAN, FONT SIZE 12 WITH DOUBLE SPACING.

ANSWERS

A) LAND CLEARING

|  |  |  |  |
| --- | --- | --- | --- |
| ACTIVITY | QUANTITY | NAIRA | KOBO |
| Land clearing | **1 hectare** | 400,000 | 00 |
| Cross cutting | **1 hectare** | 33,000 | 00 |
| Rome ploughing | **1 hectare** | 27,000 | 00 |
| Subtotal | **1 hectare** | 449,000 | 00 |
| Total | **600 hectare** | 250,000,000 | 00 |

B) EQUIPMENT

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| NAME | QUANTITY | MODEL | USD | NAIRA | KOBO |
| Tractor | 1 | Y70-904 | 24,450 | 8,882,000 | 00 |
| Cocoa seeder | 1 | 2BFY-6C | 4,950 | 1,782,000 | 00 |
| Disc harrow | 1 | IBJ-3.0 | 3,520 | 1,267,200 | 00 |
| Tripper | 1 | 7CX-87 | 9,450 | 3,402,000 | 00 |
| Combined harvester | 1 | 4YZ-6 | 103,500 | 37,260,000 | 00 |
| Boom sprayer | 1 | 3W-100L-18 | 6,950 | 2,502,000 | 00 |
| Font loader | 1 | TZ10D | 6,570 | 2,305,200 | 00 |
| Subtotal | 1 |  | 159,390 | 57,380,400 | 00 |

C) VEHICLE

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| TYPE | MODEL | QUANTITY | NAIRA | KOBO |
| Pick-up-truck | Hilux | 2 | 30,000,000 | 00 |

D) IRRIGATION

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| TYPE | QUANTITY | MODEL | USD | NAIRA | KOBO |
| Horse reel | 1 | 140-4400MT | 28,186 | 1,000,960 | 00 |

E) OPERATING COST

|  |  |  |
| --- | --- | --- |
| WORKING CAPITAL | NAIRA | KOBO |
| Ploughing hectare | 17,000 | 00 |
| Harrowing hectare | 15,000 | 00 |
| Subtotal | 32,000 | 00 |
| For 600 Hectare | 17,000,000 | 00 |
| Mechanization and storage | 120,000 | 00 |
| For 600 Hectare | 700,000,000 | 00 |
| Input hectare | 100,000 | 00 |
| For 600 hectare | 60,000,000 | 00 |
| Area yield insurance | 20,000 | 00 |
| Purchase aggregation | 6,000 | 00 |
| Go special service | 5,000 | 00 |
| Subtotal | 31,000 | 00 |
| For 600 Hectare | 16,500,000 | 00 |
| Interest per hectare | 30,000 |  |
| For 600 hectare | 16,000,000 |  |
| Total cost per hectare | 300,000 |  |
| Total cost for 6,000 hectare | 160,000,000 |  |
| Loan, Principal and Interest (cost per hectare) | 300,000 | 00 |
| Total for 600 hectare | 110,000,000 | 00 |
| Irrigation cost for 500 hectare excluding fixed cost | 25,835,000 | 00 |

F) AMORTIZATION

|  |  |  |
| --- | --- | --- |
| FUNCTION | NAIRA | KOBO |
| Land clearing amortization (per hectare) | 25,000 | 00 |
| Land clearing amortization (600 hectare) | 12,500,000 | 00 |

G) REVENUE

|  |  |  |
| --- | --- | --- |
| YIELD PER HECTARE FOR 600 HECTARE AT 150,000 PER TONNES | NAIRA | KOBO |
| Revenue per hectare | 500,000 | 00 |
| For 600 hectares | 250,000,000 | 00 |
| Net revenue for 600 hectares without amortization | 70,850,000 | 00 |
| Net revenue for 600 hectares with amortization (cleaning) | 62,000,000 | 00 |
| 2nd Production cycle |  | 00 |
| Net revenue | 49,050,000 | 00 |
| Net revenue with amortization for 600 hectares |  | 00 |
| Annual net revenue for the 1st and 2nd cycles | 111,050,000 | 00 |

FUNDING MECHANISM

Dox aford limited will provide 500 hectares of cleared farmland around the parish and at lease it to members of the cooperative. It will also lease 7,000MT capacity silo as equity contribution.

Equity investor to provide equity for the equipment 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 Agriculture, Bank of Industry, and other commercial banks.

Conclusion

The cocoa project is feasible and viable. It will require your funding.