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Assignment title: FOOD PRODUCTION AND HEALTH AWARENESS.

Course code: AFE 202.

QUESTION.

Prepare a business plan on a chosen agricultural enterprise following the guideline in the note.

My agricultural enterprise: Dairy farming.

Name of my company: Gracemanicol Dairy Farming.

Dairy farming is a type of agriculture that is focused on producing milk.

CONTENT OF A FEASIBILITY REPORT.

1. Executive summary/brief description of the project.
2. Sponsorship, management and technical assistance.
3. Market and sales.
4. Technical feasibility, Resources and Environment.
5. Government support and Regulation.
6. Timelines of projects.

7. Estimated project cost and revenue.

8. Funding mechanism.

9. Conclusion.

EXECUTIVE SUMMARY.

Gracemanicol dairy farm business will be confirmed to meet the milk demand of the state and the country as a whole. It is located at North-western part of Nigeria, Gudali, sokoto state. All members of the team at gracemanicol dairy farm have made sure that water supply is regular all through, the pasture and barn for the cattles are well built and approachable. Gracemanicol dairy farm is located in a suitable area where there is no air pollution, it's close to the market and can be easily reached. We have inquired for food stuff, fertilizers and workshop materials to be available on the 700 hectares of land. Our major am and objective at gracemanicol dairy is to produce milk and other dairy products to people at any part of Nigeria without stress and especially for our people in the north-west. Gracemanicol dairy farm is focusing on producing only milk and other dairy products like butter/butter blends, natural and processed cheese, yogurt, cottage cheese, sour cream, ice cream, dips, frozen desserts, etc. We want to produce at least 21,000 pounds of milk each, which is almost 2,500 gallons. The farm would have about 2,000 cows on the site, being fed and well taken care of as they produce milk.

This proposed project for gracemanicol will create economic opportunities, impact optimistically on the people and help to keep scarce foreign exchange. Cows are

milked using vacuum cups which are attached to the cow's teats. The milk is sent through stainless steel pipes to large refrigerated vats. We will contract farming in other production areas. The project will create market access, improve the income of dairy farmers and contribute meaningfully to food security. It will also generate satisfactory returns for sponsors and investors.

SPONSORSHIP

The gracemanicol project is sponsored by professor Emmanuel Olusegun Akintunde, a lecturer, philanthropist, and the founder of gracemanicol dairy farm limited. Professor Emmanuel Akintunde is sponsoring this project in order to enable others to learn from the farming success, invest in ways to sustainably add value to dairy farming, and lastly for people to focus on skills and looking at specific customers and market insights to add value to primary industries in sokoto state. All employees will have many years of experience. Vintage Dairy Business Ventures and Consultancy will be responsible for management of consultancy of the projects.

MANAGEMENT.

Gracemanicol possess adequate farm management skills (financial, livestock, crops and equipment/building management) to succeed in the dairy business. We currently split the management responsibilities on the farm. Emmanuel manages the milking of the cows, the book keeping. Emmanuel also manages herd health records and heifer raising. We share the crop management responsibilities. We feel like the enrollment in the DHIA herd management program is a needed improvement to our present herd management program. Emmanuel will be taking the lead on setting up our herd on this

program in 2018, and will be in charge of its management there after. We also recognise that the company will need to be more familiar with all aspects of managing the finances of dairy operation prior to taking over in January 2019. For this reason, Emmanuel will plan to work with both services in order to manage the farm's financial record keeping and will also take advantage of the farm service Agency financial management training course, if available in 2018.

TECHNICAL ASSISTANCE.

Gracemanicol will be working with national dairy farm association club. They will be in charge of production and processing of milk and provides assistance technically. We also have a plan to partner with peak milk, so as to help distribute our products across sokoto state. The governor of sokoto state has also vowed to organise an annual award ceremony to reward farmers. The price of processing and distribution will be funded by the central bank of Nigeria. A loan of 3,550,000 million naira will be required for the maintenance of the cows and also for unexpected incidents e.g. Animals falling ill, Animals reacting to the food, etc. The governor's own farm located in sokoto also has volunteered to use their farm for the production of the feed, the cooperative will receive a grant from federal ministry of agriculture for provision of equipment's such as buckets, milk containers, automatic milking machines, pasteurizers and parlour equipment, etc are necessary for the complete process of producing milk. The state university of sokoto will be giving students 50% discount of their school fees in the dairy farm department and will get graduates from the school to work for us while we pay 50% of their salary from our business and the government school pays the other 50% for only

workers who graduated from their school.

MARKET AND SALES.

Gracemanicol is located in North western Nigeria, sokoto state, Gudali local government to be precised. Our plan is to provide our cotumers with large approval and support. Our TARGET MARKET are;

- Alhaji Yaro Gobirawa provision store.
- Jega central market.
- Dange Market.
- Al-madina super market.
- Marina Market Sokoto.

Our aim at gracemanicol dairy farm is to meet a capacity of 10,250 gallons of milk per month. We also desire and aim to interact with our industrial workers that utilize the cow for milk production, cheese and other products. Gracemanicol dairy farm will obtain a practical system concerned with making decisions and actions that are useful for marketing to ensure fast changes in the business. Gracemanicol's major MARKETING STRATEGY are;

1. Blog advertisement: Gracemanicol dairy farm will be advertised in the television, radio, newspapers, and publication where middle and upper class can see them and approach us for services.

2. Communication: We go round to communicate with people, tell them about our product face to face and how we provide nutrients in our products.

Benefits of the milk; It builds healthy bones and teeth, maintains bone mass, source of energy, maintain healthy blood pressure, etc.

COMPETITIVE ANALYSIS.

We take note of our competition, whether it is local dairy farmers or large, national dairy competitors. Gracemanicol's product and process research has established the niche in the dairy market where we begin to discern where you fit in. We review our competitor's advertisements to spot and exploit weaknesses. For example, when our products are free of added chemicals or artificial ingredients but theirs is not, we highlight it in our marketing strategy.

We make use of our competition weakness to have a stronger edge other than theirs like lack of chemical, suitable business location, home delivery, quality milk, and intact business strategies.

TARIFF AND PROFITABILITY AND MARKET POTENTIAL.

We won't import any goods so we at gracemanicol's dairy farm won't be affected by the import restrictions.

The capital for milk is large and increasing. Milk is one of the most essential products needed in home cause of their uses, so our potential has to become huge. There are so many amount of commercial advantage due to it's high demands.

Diseases of the animal caused by dirty water, insects can have a large effect on the business growth. So we ensure to keep animals in a secured, insect free cool and dry place. Also treat the water that the animals drink from time to time.

TECHNICAL FEASIBILITY.

The technological aspect has manufacturing, technology, labour, transportation among others that will be handled by professionals well skillfully at their job in this field. The barnacle and pasture will be constructed by pelumi workshop, which is the best in the whole of sokoto. We went for the best so as to provide us with quality barn and pastures that will keep the cows safe and protected.

This project is technically feasible because all of our needs are been handled well. The local government has provided us with infrastructure and quality materials for our maintenance. Our business will be implemented by using standard and generally accepted practices.

GOVERNMENT SUPPORT AND REGULATION.

The prominence of this project in economic development cannot be underestimated. It helps to improve sustainable lifetime, reduce the lack of money in the society, etc. Dairy farm also contributes to food availability and security by giving people nutrients and also providing source of income to the workers. The employment and income returned by an investment will have had an increase in the country's economy. With all these advantages, definitely the business of dairy farm serves as a drive for the nation's economic growth. Gracemanicol will also benefit from government funds. We can

attract foreigners to Nigeria for importation of our goods to the place where there reside wherever in the world. It will increase our funds and create more opportunities for us at gracemanicol dairy farm.

TIMELINE OF PROJECTS.

Gracemanicol's dairy farm project should be carried out completely and successfully within a year from December 2020 to December 2021 due to the current lockdown going on globally to prevent us all from a vastly transmitted disease, that's why the management of gracemanicol's dairy farm have decided to move the project to the end of the year.

ACQUIRING LAND.

Land (200 x 200)	N425,000
Land right	N45,000
Evacuation and fencing of plot	N310,000
Total	780,000

BARN AND PASTURE CONSTRUCTION.

Space barn to house the horses will be (4m x 1.5m by 2.2m each) 1,200 blocks	N102,000
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required.	
Cement	N40,000
1 trip of sand	N5,000
1/4 trip of gravel	N8,500
Workers payment.	N35,000
Plumbing price	N40,000
Cost of plastering	N20,000
Pumping machine price cost of barn maintenance	75,000
Cost of barn maintenance	N32,000
Total	N357,500

EQUIPMENTS.

Teat sprayrobot	N30,500
Rotary	N15,000
Milk meters	N6,000
Liners	N7,500

Claws clusters	N10,000
Bucket	N15,000
Milk container	N24,000
Milking machines	N150,000
Parlor equipment	N132,000
Pasteurizers	N40,000
Total	N430,500

CONVEYANCE.

Vehicle type	Qty
Truck	3
Ford	1
Total	4

OPERATING COST

ITEM	UNIT	QTY	COST
Cattles	Cow	75,000	N345,000

Labour	Hour	65.9	269,900
Food	Ton	56-72	N229,000
Maintenance fee	Year	1	N30,500
Disease depredation	Acre	12	
Farspeaker	Total	2	N5,000
Light supply	Hour	5,500	91,000
Provisions	Total	1	15,000
Indemnity	Naira	N15,450	N15,450
Consultancy	Naira	N50,000	N50,000
Other services	Naira	N5,500	N5,500
Interest (12 months)	Naira	N710,000	N710,000
Storage	Total	N101,000	N101,000
Tax	Naira	Yearly	N250,00
Total			N1,867,850

AMORTIZATION.

Land clearing amortization	N625,000
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REVENUE.

Our revenue projection is computer in this way. It will be for our profit/gain in the first six months of the active business.

Sales of 2,500 quality milk to providers at 825 per sachet = $825 \times 2,500$

(Per sachet) Revenue on sale of milk = N2,062,500

Sale of 2,500 quality milk to providers at 850 per tin = $850 \times 2,500$

(Per tin) Revenue on sale of milk = N2,125,000

FUNDING MECHANISM.

Money saved by gracemanicol dairy is not enough to start the project, so we will be loaning from the bank in this way. Gracemanicol's dairy expects to raise N245,000 of it's own capital, and to loan about N200,000 guaranteed by the central bank of Nigeria as a nine-year loan. This provides the bulk of the current financing required.

Gracemanicol's dairy anticipates sale of about N565,000 in the first year, N783,000 in the second year and N859,000 in the third year of the plan. Gracemanicol's dairy should break even by the sixth month of it's operation as it steadily increases it's sales. Profits for this time are expected to be approximately N21,000 in the first year, N44,000 in the second year and N59,000 by the third year. The company does not

anticipate any cash flow problems.

CONCLUSION.

We at Gracemanicol dairy farm, from our record hope that we are eligible with our business plan for your organisation to loan us money to establish a quality milk production which will have great impact on the country. We will pay back with interest and will really appreciate if you could trust in our company.