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CIVIL ENGINEERING

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

A FEASIBILITY REPORT/BUSINESS PLAN FOR THE INITIATION AND DEVELOPMENT OF A SIX HUNDRED HECTARES PALM TREES PLANTATION AND ESTABLISHMENT OF 12 TONNES PER DAY CAPACITY PALM OIL & PALM KERNEL OIL PROCESSING PLANT AT NNACHETTA STATE FARM, UMUAHIA, ABIA STATE, NIGERIA BY PLANET OIL CHEMICAL INDUSTRIES

CONTENTS OF A FEASIBILITY REPORT

Executive Summary

The business plan examines the feasibility and economic usefulness of the initiation and development of a 100 hectares palm seed plantation and the establishment of palm oil processing plant that in LAWAL'S Farm by Planet Oil Chemical Industries and the Agricultural Team. The farm will produce a 1,500 ton of palm fruits in a cycle production and the palm kernel processing plant yields 5,000 tons of palm kernel and 3,000 tons of palm fruits into palm kernel oil & palm oil respectively used for palm kernel oil, kernel shells used for livestock and other components used for cosmetics and soaps. These products have a high demand both locally and foreign due to

its numerous applications in the day to day activities. Production is best in Nigeria, which is one of the top exporters globally, it is cultivated mainly in Akwa Ibom, Cross River and Abia state.

The presented project will create economic opportunities, impact positively on the people and help conserve long time foreign exchange. The seedlings used for this project will be directly purchased from the local farmers in the state and from The Farmer society, all expenses paid by Planet Oil Chemical Industries. The employment of workers will be mainly based to find unemployed workers who have experience in farming but being commissioned or sponsored by any organization. The project is estimated to create 5,000 jobs available to the locals, partnership with other farmers to increase the productivity is being initiated.

Sponsorship

This project is solely sponsored by LAWAL'S Planet Oil Chemical Industries and the Agricultural Team. The Agricultural Team has been accepting donations from their investors who are seeing great value, income and potential in working together with Lawal's Planet Oil Chemical Industries to further develop an economic sector that has been scarcely touched by the government. The Agricultural Team has several experts who are well excellent in this projection and also have a branch of the team that deals with all finances and consultancy of the project.

Management

The management of this work will have a board of directors that is split into two in the power division between Lawal's Planet OIL Chemical Industries and The Agricultural Team. The Board

of Directors will be composed of shareholders of both parties who have stake in the survival, growth and profitability of the business and experts in the development of this project. The prime objective of the board will be to give strategic directions and policies that will ensure long term success of the organization. The board will ensure that the organization complied with all standards set by regulatory authorities. The Managing Director will be from one of these parties while the General Secretary shall be from the other, so as to avoid conflict of interest between both parties. The Managing Director will also be supervise each department's progress and also mobilize organization resources for the set project goals made by the Board of Directors.

Technical Assistance

The Agricultural Team is working with IITA (International Institute of Tropical Agriculture, Ibadan). IITA has mandate in Palm Trees production and processing and will provide technical assistance in this regard. The Agricultural Team is also being aided by the Bank of Agriculture to cover up the projects cost.

The Planet Oil Chemical Industries will fund the processing plant and access finance from the profit made in this aspect of the project for the expansion and maintenance of the plantation. The Lawal's Agricultural Team is on a cooperative relationship with the Abia State Government, Ministry of Agriculture and The Farmers Guild who also lend a loan into the initiation and development of this project.

Market Sales

Market Orientation: domestic, medicinal; South West & South-South

Market Share: 9% niche market in South South, South East Nigeria

Users of Product: edible oil for cooking, promotes hair growth in cosmetics, preservatives, medicine, cleaning agent.

Competition analysis

In Nigeria, the state that has been producing the largest quantity to put us in that position is Awka Ibom state, who has been producing 25- 30% of the national's products for the previous decade. Delta has been a close second with 22% of the national's product coming from their state. Abia has been one of the lowest producer for over a decade, with us producing less than 4% of the nation's output. Based on this above analysis, competition in terms of production in South East Nigeria is highly packed due to the untapped land in Abia State which was insufficiently funded by our predecessors but times have changed.

Tariff and Import Restriction

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

Market Potential

The practical use of the product makes it constantly demanded by the market both locally and globally.

Technical Feasibility

Here we are going to be thinking on the way products will be made available and ready for customers, also we validate the ongoing business. Well the project at hand is technically feasible in terms of technology. Extraction of oil, in the industrial processes are simple and a specialist in oil extraction with more than 20years of experience is part of our team. The needed equipment for oil extraction are readily available and our experts have hand on experience in the usage and maintenance of the equipment.

We get to implement our project using the best international practices available to us and the ones we can get, sustainable production and due consideration for the environment. Although some degree of deforestation will occur, the EIA (Environmental Impact Assessment) report shows little or no damage to the environment as it relates to the issue of climate change. Organic fertilizer will be substituted for chemical fertilizer within three years of farm operations.

Government support and regulation

The project is benefit from government intervention fund in the agricultural aspect area. The project will also benefit from the favoured policy of zero duty for agricultural and equipment import. Restriction of forex for all food products will also widen market opportunity. The project will contribute significantly to employment, output increase, stable price and stable exchange rate.

And also supports foreign exchange, import reduction conservation and diversification objectives of the government.

Timeline of Project

My project is estimated to be completed around 27th of May 2022 to 26th of April 2022. If the resent crisis continues (covid 19), then we are looking at a 12 month added to the project.

Estimated Project Cost and Revenue

1. **Land clearing**

Activity	**QTY**	**₦**	**K**
Land Clearing	2Hectare	460,000	00
Cross cutting	1.5Hectare	70,000	00
Rome ploughing	1Hectare	65,000	00
Sub total	1Hectare	**595,000**	**00**
Total	100 Hectare	**59,500,000**	**00**

2. **Equipment**

Name	**QTY**	**MODEL**	**USD**	**₦**	**K**
Tractor	1	Kubota MU45012WD(45HP)	93,814	36,585,000	00
Disc harrow	1	IBJ- 3.0	3,520	1,267,200	00
Sub soiler	1	IS-200G	3,250	1,170,000	00
Soy seeder	1	2BFY-6C	4,950	1,782,000	00
Tripper	1	7CX-8T	9,450	3,402,000	00

Combine Harvester	1	4YZ-6	103,500	37,260,000	00
Boom sprayer	1	3W-1000L-18	6,950	2,502,000	00
Front loader	1	TZ10D	6,570	2,365,200	00
Sub total			**228,754**	**85,163,400**	**00**

3. Operating Cost

Working Capital		
	₦	**K**
Ploughing/Ha	15,000	00
Harrowing/Ha	10,000	00
Sub total	25,000	00
For 400 Ha	**10,000,000**	**00**
Mechanization and storage	105,000	00
For 400Ha	**42,000,000**	**00**
Input / Ha	91,825	00
For 400Ha	**36,730,000**	**00**
Area yield insurance	13,500	00
Produce aggregation	5,500	00
Geo Spatial Service	4,500	00
Sub total	23,500	00

For 400Ha	**9,400,000**	**00**
Interest per hectare	22,079	25
For 400Ha	**8,831,700**	**00**
Total cost per hectare	245,325	00
Total cost for 400Ha	**98,130,000**	**00**
Loan principal and interest (cost per Hectare)	267,404	25
Total for 400Ha	**106,961,700**	**00**
Irrigation cost for 400Ha (excluding fixed cost)	**24,018,120**	**00**

REVENUE

Yield per hectare 3tonnes@ ₦145000 per tonne			
	₦		**K**
Revenue per hectare	**435,000**	**:**	**00**
For 400Ha	**174,000,000**	**:**	**00**
Net revenue for 400Ha(without amortization)	**67,038,300**	**:**	**00**
Net revenue with amortization(400ha clearing)	**55,038,300**	**:**	**00**
2nd Production Cycle			

Net revenue	**43,020,180 : 00**
Net revenue with amortization(400ha land)	
Annual Net Revenue (1st + 2nd Cycle)	**98,058,480 : 00**

Currency conversion rate:₦361.06 to 1USD

Funding mechanism

MAMIS will be providing us with 400Ha of cleared farmland around the university and Equity investor to provide equity for equipment and vehicles purchase.

Conclusion

The project is legible for all the necessary things needed. It is also technically feasible and everything required for the project to be legible for funding is there and ready.