NAME: ADEBAYO ABIOLA

MATRIC NO: 18/SMS02/002

DEPARTMENT: ACCOUNTING

COURSE: AFE 202

QUESTION: **Prepare a business plan on a chosen agricultural enterprise following the**

**guidelines in the note.**

**A business plan for GREENLIFE FARMS Lagos state, Nigeria.**

It is acknowledged by the reader that information furnished in this business plan is in all respect confidential therefore the reader agrees not to disclose it to any third party without express written permission of the promoters of this business.

Upon request this document should immediately be returned to the promoters of this proposed business.

Signature: Abiola

Name: Adebayo Abiola

Date: 17 April 2020.

**Executive summary/project description**

Greenlife Farms limited is dedicated to sustainable, profitable and unique agricultural products. Greenlife farms limited which is owned by Adebayo Abiola. Our mission is to produce and grow quality, specialty greens, baby vegetables and fruits to supply local restaurants and consumers. Our goals include high quality products to sell both wholesale and retail. Production methods include new technology utilizing sustainable agriculture and best management practices. We hope to increase production by 20% and sales by 30% in the next five years. The farm has two round style greenhouses for production and to reduce production risk. The family has been farming for 2 years and is relatively new to the industry even though grew up on a grain and dairy farm. **The enterprise is a part-time venture**.

Through market research it is evident that consumers are interested in high end specialty products. There is a move toward health and local that will benefit our operation. Some limitations include time and labor to devote to the operation and being new growers, we are still learning. Our advantage is the specialty aspect as well as season extension.

**Sponsorship**

This project is sponsored by Dr Adebayo, Lagos state Nigeria. Dr Adebayo is promoting productivity of small holder farmers around Nigeria through GREEN LIFE FARMS.

**Management**

Management decisions will be made by Adebayo Abiola. she has primary responsibility for managing the marketing to restaurants and farm markets. Adenuga john the employee, focuses on production aspects including the high tunnels. As the farm expands also will be more involved in the farm operation. Adenuga john will mobilize organization resources to achieve set goals. Adebayo Abiola will manage business risks and focus on wealth creation.

**Competition analysis**

Bayview Farms seasonal vegetables and fruits farm market 15 miles away Have an on-farm market location to sell at, on a very busy road 5% Cali Produce Distributor variety of specialty produce and farm items sells and delivers to local restaurants. Green life’s plan of action will use season extension and specialty items, greens and berries, to provide a unique product to local consumers and fine dining restaurants. We will focus on high quality products available when others are not such as early and late in the season. Our products will be fresher, local and of higher quality than distributors. We will be able to form marketing relationships with restaurants and consumers earlier by using season extension techniques. Our farm will be the first at the market to have salad mixes and berries. Products are grown locally on a family farm. Green life Farm's offers a very specialized product that other businesses may not have the time or labor to grow. We are also using high tunnels which are a relatively new production practice. Fruit production generally takes a few years to get to full production and takes start up time and money. In addition, our marketing relationship that we create with restaurants will not be easily copied. We will work to provide customer service and prompt delivery to get repeat buyers and brand loyalty.

**Market and sales**

Greens - Specialty, micro vegetables grown locally, fresh and sold in bunches as a mix. Personal size and bulk size mixes are available. Product is washed and bunched for customers. Marketing strategy is for a differentiated product that provides quality, local and fresh. Specialty greens will be priced 100% above variable costs for direct sales and 75% above variable costs for wholesale to restaurants. Due to production greens will be available early and late and may demand a higher price. We do not intend to compete on price however we cannot exceed 20% above wholesale Sell at a Saturday farmers market in an urban town and increase repeat customers. Sell to high end restaurants in a 30 mile radius. We will also promote our local delivery of products. Invest in signage at the farmers market. Focus on fresh, sustainable and local. Participate in local food promotion. Create recipes and specialty salad ideas for consumers. Provide samples at the market for new varieties. Work one on one with chefs at restaurants to maintain and gain more interest. Berries - They will be sold by the pint. Marketing strategy is for a differentiated product that provides quality, local and fresh. Berries do not ship and store well therefore quality can be an issue. Our ability to pick the product the same day will be a direct advantage. Berries will be priced 100% above variable costs for direct sales and 75% above variable costs for wholesale to restaurants. Our research indicates that we can expect a 30% premium from wholesale sellers. Sell at a Saturday farmers market in an urban town and increase repeat customers. Sell to high end restaurants in a 30-mile radius. Invest in signage at the farmers market to draw busy consumers in. Focus on fresh, sustainable and local. Participate in local food promotion. Provide samples at the market. Work one on one with chefs at restaurants to maintain and gain more interest.

**feasibility**

Green life Farms is a special place. The mission of our farm it to provide unique and wholesome produce that is enjoyable and sustainable. We work harmoniously with nature and the land to grow quality, specialty vegetables and fruit to supply local restaurants and consumers. \* Grow high quality specialty greens, baby vegetables and fruits for wholesale and retail markets. \* Production methods are economically feasible as well as utilizing sustainable agriculture and best management practices. \* Increase production from 300 cases a year to 600 cases for greens and produce 9,000 pints of cherries in the next two years. We will also begin a specialty vegetable enterprise. The Greens will attend courses on production and management to increase profitability.

**Policy**

We currently carry a farm insurance policy for structures on the farm. We are not enrolled in crop insurance program. As the farm expands to fresh market, we will investigate product liability insurance.

**Resources and environment**

The farm has a Soil Conservation Plan, established buffers and filter strips through the local Soil Conservation District CREP Program. We also have a nutrient management plan. Greenlife Farms is dedicated to environmentally sustainable management practices.

**Human resources**

Primary labor will be provided by the immediate family. We have access to neighborhood youth that we can recruit to help on a seasonal basis. We may need to hire part time labor as the business expands. Were needed we have the ability to custom hire major machinery or tillage operations.

**Project timeline**

The project timeline will be completed within 3months preferably May to July 2020.

**Project cost and revenue estimates**

Fixed cost

* Land clearing

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity** | **QTY** | **₦** | **K** |
| Land Clearing | 1Hectare | 60,000 | 00 |
| Cross cutting | 1Hectare | 10,000 | 00 |
| Rome ploughing | 1Hectare | 40,000 | 00 |
| **Sub total** | 1Hectare | **110,000** | **00** |
| **Total** | 400 Hectare | **440,000,000** | **00** |

* equipment

|  |  |  |  |
| --- | --- | --- | --- |
| NAME | QTY | MODEL | # |
| John Deere with loader attachment | 1 | 3720 Compact Tractor | 4000000 |
| 25A Flail Mower Attachment | 1 | John deere | 500000 |
| Injector Irrigation | 1 | Morrill | 4500000 |
| Tiller | 1 | Mahindra | 460000 |

**Subtotal=9460000**

* **Vehicle**

**Type Model QTY ₦ K**

|  |  |  |  |
| --- | --- | --- | --- |
| **Pick-up Truck** | **HILUX** | **2** | **30,000,000 00** |

**REVENUE**

GREENS (1&1/2 greenhouse plus 1/2 acre outside) INCOME = #705000.00

BERRIES ESTABLISHMENT YEAR 1 INCOME = 0

BERRIES ESTABLISHED YEAR 2 INCOME = #280,800.00

SPECIALTY VEGETABLES INCOME = #180,900.00

**CURRENCY CONVERSION RATE**: #360.00 TO 1USD

**Funding mechanism**

A projected cash flow and income statements have been completed. We will meet with our bank and establish a separate farm account and line of credit for input purchases. The farm accounts will be kept through QuickBooks software.

**Conclusion**

The project is economically feasible and commercially viable. It is therefore recommended for funding.