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EXECUTIVE SUMMARY/ PROJECT DESCRIPTION

This business plan examines the feasibility of an economic viability of the development of a 800hecteres Maize plantation and the establishment of Maize plantation extraction in Ekiti State by Afe Babalola University and Afe Babalola Farmers' Cooperative Society Limited which might be 1000 youths from Ekiti State. The farm will produce about 1.2 million tons of Maize in a production cycle there are high demand for these product because of the lockdown caused by the COVID 19 pandemic, our huge population, production is currently popular in Niger, Taraba, Kaduna and Plateau States in Nigeria produces 8 million tons of maize yearly. This project will create market access improve income of farmers, reduce the large importation of foreign products like rice and contribute to food security.

SPONSORSHIP

The project is sponsored by Aare Afe Babalola the founder of Afe Babalola University. He is increasing the productivity of small holder farmers in Ekiti state through Afe Babalola Cooperative Limited, the university has a department of agriculture and experts with many years of experience in the project being proposed .BIF (Business Innovation Facility) and IITA (Institutional Institute of Tropical Agriculture) will be responsible for the management consultancy of the project management.

MANAGEMENT

This will be made up of shareholders and member of the cooperative who have stake in the survival, growth and profitability of the business as well as distinguished agribusiness

professionals of proven integrity and vast experience in the project area. 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 shall be responsible for the co-ordination of the day to day management of the cooperative business. He is accountable to the Board of Directors; he will mobilize organization resources to achieve set goals. He will manage business risks and focus on wealth creation.

TECHNICAL PARTNERS

The university has working relationship with IITA (International Institute of Tropical Agriculture, Ibadan) through an executed MOU, IFAD (international fund for agriculture development), BIF (Business Innovation Facility) and NAN (News Agency of Nigeria). The University also has a working relationship with BOA (Bank of Agriculture) and we are collaborating on Aare Afe Babalola Annual Agric Expo where the founder appreciate Ekiti Farmers through monetary award to the best 3farmers in each local government area of the 16 L.G.A in Ekiti State and the overall best farmer in the state.

MARKET AND SALES

Market orientation: domestic; South West & South and East Nigeria

Market Share: 35% niche market in South, West, South and East Nigeria

Users of Product; milling process of maize determines nutrition in humans, cooking and sensory quality of crude maize.

TECHNICAL FEASIBILITY

The project production of maize and maize crude is technically feasible. The supply gap for good quality milled rice creates a significant business opportunity for milling, processing and this report explains the viability of setting up of a 20000tones capacity rice mill in Lagos state. Local maize cultivation is largely by small holder farmers. Nigeria is one of West Africa's largest producer and consumer of maize, producing an average of 8 million tons of maize. However local demand for maize is slightly out matched due to high demand of other agricultural products therefore the nation is forced to rely on massive importation of other agricultural products to bridge the gap.

GOVERNMENT SUPPORT AND REGULATORY POLICIES

The project conform to the economic diversification objective of the government. It also supports foreign exchange and import reduction conservation of government. It creates economic opportunities, market access, and improved income for farmers and support food security objective of government.

PROJECT IMPLEMENTATION TIMELINE

The project will be completed within 8months preferably between JANUARY 2020 to OCTOBER, 2020 because land clearing is mostly done in the dry season including, the harvest time.

PROJECT COST AND AVENUE ESTIMATE

PROJECT COST

WORKING CAPITAL	₦	K
Ploughing/Ha	20,000	00
Harrowing/Ha	16,000	00
Sub total	36,000	00
For 800 Ha	30,000,000	00
Mechanization and storage	210,000	00
For 800Ha	50,000,000	00
Input / Ha	70,825	00
For 800Ha	50,730,000	00
Area yield insurance	20,500	00
Produce aggregation	10,500	00
Geo Spatial Service	15,500	00
Sub total	55,500	00
For 800Ha	9,400,000	00
Interest per hectare	29,000	00
For 800Ha	10,000,000	00
Total cost per hectare	260,850	00

Total cost for 800Ha	123,130,000	00
Loan principal and interest (cost per Hectare)	267,404	25
Total for 800Ha	110,561,700	00
Irrigation cost for 800Ha (excluding fixed cost)	50,200,000	00

REVENUE

Yield per hectare 5tonnes@ ₱180000 per tone	
	₱ K
Revenue per hectare	750,000 : 00
For 800Ha	200,000,000 : 00
Net revenue for 800Ha(without amortization)	80,500,000 : 00
Net revenue with amortization(400ha clearing)	70,330,300 : 00
2nd Production Cycle	
Net revenue	60,250,180 : 00
Net revenue with amortization(400ha land)	
Annual Net Revenue (1st + 2nd Cycle)	120,058,480 : 00

Currency conversion rate: ₱360.00 to USD

FUNDING MECHANISM

ABUAD will provide 800Ha of cleared farmland around the university and lease it to members of the cooperative.

CONCLUSION

This project is technically feasible, it also supports foreign exchange and import reduction conservation of government.