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Assignment title: A business plan for the production of orange and the distribution of orange juice at Ihotu farm, Markudi, Benue state by Toyom agribusiness centuries and consultancy confidentiality agreement

Confidentiality clause

The undersigned reader acknowledges that the information provided in this business plan is a confidential intellectual property; therefore the reader agrees not to disclose it to a third party without the express written permission of the promoters of the proposed business.

It is acknowledged by the reader that information furnished in this business plan is in all respect confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by the reader, may cause serious harm or damage to the promoters of the proposed business.

Upon request, this document is to be immediately returned to the promoters of the proposed business

Signature:

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Date:

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**EXECUTIVE SUMMARY**

Ihotu Orange Farms is an orange farm to be located in Makurdi. Specialized in the production of both processed and unprocessed orange products to both individuals and commercial entities who are mostly players in the orange products value chain sector, Oliver's Orange farms will be involved in related services that include the provision of fruit juice services, plus the shearing of the fruit.

Only the best will be selected to join our team of dedicated and committed workforce. These will be made up of individuals possessing the requisite qualification plus experience in the field of Orange farming. The products and services to be offered by Ihotu Orange Farms will include the production of orange products such as orange juice, facial cream and masks, orange flavored cake, citrus sugar, orange oil and herbal tea.

Other services will include the provision of consultancy and advisory services to our clients on orange farm related issues.

Our vision at Ihotu orange Farms is to build a successful brand name through the provision of superior services tailored to the client’s satisfaction. Within our first 3 years, we have plans of expanding our operations to spread across the Federal Republic of Nigeria, with our sights set on competing favorably with other well-known orange product brands.

**Sponsorship**

 The project is proudly sponsored by Ihotu Ecoche a successful business owner of Ihotu Group and master in Business management. Our vision at Ihotu Orange Farms is to build a successful brand name through the provision of superior services tailored to the client’s satisfaction. Within our first 3 years, we have plans of expanding our operations to spread across the Republic of Nigeria, with our sights set on competing favorably with other well-known orange brands. Dealing in a very competing market, we intend of gaining a fair share of the market through the provision of exceptional services that will stand us out of our competition. Within the first 5 years from the commencement of business operations, we plan on entering into the top 3 orange brands in Nigeria.

**Management**

The management will comprise of a democratically elected Board of Directors at the apex of the organization structure. 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/President 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 Assistance**

Experts with several years of experience and the required skill will be hired to head the various arms/department of our orange farm. This is aimed at significantly increasing productivity and enhanced penetration into the market.

Our work conditions will be such that will enhance productivity. Also, adequate attention is given to the welfare of our workforce through an attractive remuneration package that in will increase motivation. We will be adopting several publicity and advert strategies. Some of these include the placement of adverts in both print and electronic media, the building of a website that will contain all the services offered by us, and also exploiting the word of mouth marketing which will be solely driven by our satisfied clients.

**Market and Sales**

 A close study of the orange farming industry shows that most orange farms that has the capacity do not just concentrate in the commercial production of raw orange products for households and businesses that are involved in the production of facial products, herbal tea, citrus sugar, orange oil and orange flavored cake.

They go as far as establishing a standard juice and facial products processing company in line with their core business. It is a means of maximizing profits and increasing source of revenue generation.

Despite the fact that orange farm has been in existence since time immemorial, that does not in any way make the industry to be over saturated; orange farmers are exploring new technology to continue to improve orange production processes and also orange juice and facials preservation and packaging process. The fact that there is always a ready market for raw orange andd other orange products makes the business ever green.

Our Target Market

As expected, the target market of those who are the end consumer of orange farms produce and also those who benefits from the business value chain of the agriculture industry is all encompassing; it is far – reaching. Every household consumes produce from fruit farms be it the raw fruit, the herbal tea produce the leafs sometimes are medicinal, the facial and masks products, the fruit juice and even the fruit oil.

We will ensure that we position our business to attract consumers of orange and orange fruit products not just in the United States of America alone but also other parts of the world which is why we will be exporting some of our orange farm produce either in raw form or processed form to other countries of the world.

Our Competitive Advantage

From experience, entrepreneurs are known to flock towards an industry that is known to generate consistent income which is why there are most orange farms in African countries and of course in most parts of the world.

As a matter of fact, entrepreneurs are encouraged by the government to embrace commercial farming / orange farming. This is so because part of the success of any nation is her ability to cultivate her own food and also export foods to other nations of the world.

Ihotu Orange Farms, LLC is fully aware that there are competitions when it comes to selling raw orange and other orange fruit products all over the globe, which is why we decided to carry out thorough market research and feasibility studies so as to know how to take advantage of the available market in African countries and in other parts of the world.

We have done our homework and we have been able to highlight some factors that will give us competitive advantage in the marketplace; some of the factors are effective and reliable orange farming processes that can help us sell our raw orange and other orange fruit products at competitive prices, good network and excellent relationship management.

Another competitive advantage that we are bringing to the industry is the fact that we have designed our business in such a way that we will operate an all – round standard orange farms that will be involved in diverse areas such as orange juice production, production of scrubs(facial or body), production of orange flavors for various purposes and packaging plant. With this, we will be able to take advantage of all the available opportunities within the industry.

Lastly, all our employees will be well taken care of, and their welfare package will be among the best within our category (startups orange farms companies in the Nigeria) in the industry. It will enable them to be more than willing to build the business with us and help deliver our set goals and achieve all our business aims and objectives.

SALES AND MARKETING STRATEGY

It is a known fact that the reason why some orange farms hardly make good profits is their inability to sell off their raw orange and orange products to a larger market. In view of that, we decided to set up a standard orange processing and packing plant to help us maximize profits.

Over and above, we have perfected our sale and marketing strategies first by networking with agriculture merchants and companies that rely on raw materials from the orange farms industry who are likely to refer become our customers. In summary, Ihotu orange Farms, LLC will adopt the following strategies in marketing our orange produce;

Introduce our business by sending introductory letters alongside our brochure to stake holders in the agriculture industry, companies that rely on the orange farms industry for their raw materials, hotels and restaurants and agriculture produce merchant et al.

Advertise our business in agro – allied and fruit related magazines and websites

List our orange farms on yellow pages ads (local directories)

Attend related agriculture and fruit expos, seminars, and business fairs et al

Leverage on the internet to promote our business

Engage in direct marketing

Encourage the use of word of mouth marketing (referrals)

Sources of Income

Ihotu orange Farms, LLC is in the orange farms industry for the purpose of maximizing profits hence we have decided to explore all the available opportunities within the industry to achieve our corporate goals and objectives.

In essence we are not going to rely only on the sale of raw orange and other orange products to generate income for the business. Below are some support processes

Farrier services

Sale and export of oranges and other orange products

Sale of orange juice

Sale of processed orange products(orange oil, citrus sugar, orange flavored cake etc.)

Shearing services

Orange farming related consultancy and advisory services

We have perfected or sales and marketing strategies and we are set to hit the ground running and we are quite optimistic that we will meet or even surpass our set sales target of generating enough income / profits from the year of operations and build the business from survival to sustainability.

We have been able to critically examine the orange farms industry and we have analyzed our chances in the industry and we have been able to come up with the following sales forecast. The sales projection is based on information gathered on the field and some workable assumptions as well with respect to the nature of orange farms business that we run.

Below are the projections that we were able to come up with for the first three years of running Ihotu Farms, LLC;

First Fiscal Year ; 500000naira

Second Fiscal Year; 1000000naira

Third Fiscal Year-: 2000000naira

N.B: This projection is done based on what is obtainable in the industry and with the assumption that there won’t be any major economic meltdown that can impact negatively on household spending, bad weather cum natural disasters (draughts, epidemics), and unfavorable government policies.

Our Pricing Strategy

We are fully aware that some of the key factors that will help us sell our raw orange and other orange farm products at the right price that will guarantee that us making profits is dependent on our strategy while some of the factors are beyond our control.

For example, if the climatic condition is unfavorable and if there is natural disaster in the location where we have our orange farm, then it will directly affect the prices of our raw orange and other orange farm products.

The truth is that, if we want to get the right pricing structure for our raw orange and other orange products, then we must ensure that we choose a good location for our orange farms, cut the cost of running our farm to the barest minimum

And of course try as much as possible to attract buyer to our farm as against taking our raw orange and other orange products to the market to source for buyers; with this, we would have successfully eliminate the cost of transporting the goods to the market and other logistics that can impact on our operational cost.

One thing is certain, the nature of orange farms business we are involved in makes it possible for farmers to place prices for their raw orange and other orange products based on their discretion without following the benchmark in the industry. The truth is that it is one of the means of avoiding running into loss. The easier you sell off your raw orange and other orange products the better for your business.

**Technical Feasibility**

Orange production is all-inclusive activity, related to fruit care, production, and management. Before making the decision, whether to invest in the orange and fruit farming or not, one should carefully analyze the associated risk factors. A SWOT analysis can help in analyzing these factors, which can play important role in making the decision.

The technology and methods to be used fro this farm are the best available in Nigeria..

which is much higher than small farm. This farm possess some of the finest variety of oranges and also with the richest vitamins.

**Government support and regulation**

The project conform with the economic diversification objective of the government. It also supports foreign exchange and import reduction conservation of government. It creates economic opportunities, market access, improved income for farmers and support food security objective of government. The project will benefit from government intervention fund in the agriculture sector. The project will also benefit from the favourable 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.

**Project Timeline**

It is important to state that our sales forecast is based on the data gathered during our feasibility studies, market survey and also some of the assumptions readily available on the field. Below are the sales projections that we were able to come up with for the first three years of operations

N.B: This projection is done based on what is obtainable in the industry and with the assumption that there won’t be any major economic meltdown and the arrival of a competitor in same location as ours within the period stated above. Please note that the above projection might be lower and at the same time it might be higher.

**Estimated Project cost and revenue**

 Our revenue source will come partly from the sale of all the products on offer. These will include unprocessed and processed orange products. Our other sources of income will come from the advisory and consultancy services provided to other orange farmers.

We will aim at increasing our revenue generation, which will include increased value addition, leading to increased processing of our products for both domestic consumption and for export.

The farm will consist of different type of

machines orange juice processor, Herbal tea maker, facials (scrubs and oil), orange oil maker, orange flavour producer etc.

Plant/ fruit feed & Stock

The raw material used in feed is produce

in open land of farm. Now we start to dump the silage in bunkers for 180 days.

After dumping the silage for 6 months its able to get the maximum protein and

benefit from that stuff. For that dumping and stock the silage we need the Agri

finance Non Development loan.

Utilities:

All required utilities are

available at farm like electricity, water, etc. the all water requirement well

meet from our own wells.

Transport &

Communication:

The orange products or raw orange handling van is

available at farm with sufficient Orange storage and carrying capacity.

MAN POWER

REQUIREMENTS:-

Semi skilled workers are needed to look after the orange

farm work. Twelve people should be hired to mange the operations of the

automated shed.

**Funding Mechanism**

Government Agricultural finance policy should be reviewed toward increased funding of small and medium scale of orange enterprises through micro-credit schemes and programmes. In practice this may require a downward review of interest rates on credit facilities to orange farmers. Also, government Agricultural Extension programme should be intensified, particularly, in the area of training of producers on modern commercial dairy farming practices, made possible by increased funding of research and extension. Relatedly,

**Conclusion**

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