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**MATRIC NUMBER: 18/LAW01/059**

**LEVEL: 200**

**COURSE TITLE: FOOD PRODUCTION AND HEALTH AWARENESS**

**COURSE CODE: AFE 202**

**DEPARTMENT: LAW**

**COLLEGE: COLLEGE OF LAW**

**CASSAVA PLANTATION AND SALE OF PRODUCTS**

With the increasingly diverse use of cassava products in Nigeria, cassava farming is getting more lucrative with every passing day. This farm product has always been a source of lively hood and food for millions of Nigerians. 90% of Nigerian households consume cassava products every day. Some of the meals are: garri, wheat-flour, animal feed, commercial caramel, and a lot more. To start a business plan for cassava planting there are certain things we must look at.

1. ***Sponsorship***

My project will be sponsored by Aare Afe Babalola, a legal luminary and founder of Afe Babalola University. This is my choice because Aare Afe Babalola is promoting the students in agriculture considering he is a farmer himself. I have an upper hand because not only am I a student of the university, I am a law student and he is a lawyer.

2. ***Management***

The management will compromise of myself as president, share holders and an expert in cassava plantation hand picked by me. I will get information on the expert from the Federal Ministry of Agriculture and Rural Development . These individuals will give strategic directions and policies that will ensure long term success of the business.

3. ***Technical Assistance***

Aare Afe Babalola, using his connections will link me with the Federal Ministry of Agriculture and Rural Development. Federal Ministry of Agriculture and Rural Development (FMARD) has mandate in Cassava production and processing and will provide technical assistance in this regard. He also has connection to the Federal Government being a SAN himself

I can also get assistance from other private organizations such as Danwaire Farms and Egugo Farms

4. ***Market and Sales***

Market orientation: domestic; North , South East and South West Nigeria

Market Share: 5% niche market in North, South East and South West Nigeria

Users of Products: Cassava flour and Cassava tubers

5. ***Competition analysis***

Considering the fact that there is corona virus pandemic , there is higher demand for food items including cassava. Planting cassava in Abuja would be more profitable considering the fact that only 10 percent of commercial production constitute cassava flour in Abuja. Also wondering the fact that it is a capital it different kinds individuals can have access to the goods.

***Tariff and Import Restriction***

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

***Market Potential***

There is strong demand for cassava and cassava derivatives in the Abuja the capital of Nigeria.

***Profitability***

Weather, biological, chemical, physical and environmental factors such as temperature, sunlight, water, air, soil conditions, varieties of seed, pests, diseases, price fluctuations and other risks e.g. cow from the cattle rearers invading the farm could affect yield and profitability. Considering the fact that cassava grows more in Saharas. However, technical, scientific and financial based solutions will be employed to hedge against risks and safeguard profit. Irrigation option will be factored in to ensure two cycle of production in a year.

***Technical Feasibility***

The projects (production of cassava and cassava flour) are technically feasible this is because cassava is a tropical fruit and is grown by small farm holders and low income earners. This means not much money would be used on its technology.

***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 with the production of flour, garri, animal feed , sweeters and so on. It provides for 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.

***Project Timeline***

The project will be completed within 6months preferably between October, 2020 to June, 2021 because land clearing is mostly done in the dry season.

***Fixed Cost***

* ***Land Clearing:***

|  |  |  |
| --- | --- | --- |
| **Activity** | **QTY** | **₦** |
| Land Clearing | 2Hectares | 450,000 |
| Cross cutting | 2Hectares | 35,000 |
| Ploughing | 2Hectares | 100,000 |
| TOTAL | 2Hectares | 585,000 |

* ***Equipment:***

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name** | **QTY** | **MODEL** | **USD** | **₦** | **K** |
| Tractor | 1 | YTO-904(90hp) | 2,445 | 8,802,000 | 00 |
| Disc harrow | 1 | IBJ- 3.0 | 3,335 | 1,200,500 | 00 |
| Sub soiler | 1 | IS-200G | 5,826 | 2,100,000 | 00 |
| Plough | 1 | 2BFY-6C | 3,215 | 1,159,000 | 00 |
| Tripper | 1 | 7CX-8T | 5,831 | 2,102,000 | 00 |
| Cassava Harvester | 1 | SQTH 03 | 103,357 | 37,260,000 | 00 |
| Boom sprayer | 1 | 3W-1000L-18 | 6,941 | 2,502,000 | 00 |
| Front loader | 1 | TZ10D | 6,561 | 2,365,200 | 00 |
| Cassava Miller | 1 | DY31 | 140,000 | 50,470,000 | 00 |
| Cassava Planter | 1 | Ridging Type (SQTP) | 20,000 | 7, 210, 000 | 00 |
| Cassava Peeler | 1 | SQPC - 4 | 10,000 | 3,605,000 | 00 |
| TOTAL |  |  | 307,511 | 73,352700 | 00 |

* ***Vehicle:***

|  |  |  |  |
| --- | --- | --- | --- |
| **Type Model QTY ₦ K** | | | |
| Pick up Truck | Hilux | 4 | 90,000,000 : 00 |

* ***Irrigation:***

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Type QTY Model USD ₦** | | | | |
| Hose & Reel | 1 | Coxreels 1185 - 1124 series | 118 | 42,500 |

* ***Operating Cost***

|  |  |  |
| --- | --- | --- |
|  |  | |
| **Working Capital** | **₦** | **K** |
| Ploughing/Ha | 15,000 | 00 |
| Harrowing/Ha | 10,000 | 00 |
| Sub total | 25,000 | 00 |
| For 200Ha | 5,000,000 | 00 |
| Mechanization and storage | 50,000 | 00 |
| For 200Ha | 10,000,000 | 00 |
| Input / Ha | 45,913 | 00 |
| For 200Ha | 9, 182,600 | 00 |
| Area yield insurance | 6,750 | 00 |
| Produce aggregation | 2,750 | 00 |
| Geo Spatial Service | 2,250 | 00 |
| Sub total | 11,750 | 00 |
| For 200Ha | 2,350,000 | 00 |
| Interest per hectare | 11,040 | 00 |
| For 200Ha | 2,208,000 | 00 |
| Total cost per hectare | 100,000 | 00 |
| Total cost for 200Ha | 200,000 | 00 |
| Loan principal and interest (cost per Hectare) | 350,000 | 00 |
| Total for 200Ha | 550,000 | 00 |
| Irrigation cost for 200Ha (excluding fixed cost) | 12,009,060 | 00 |

* Amortization:

|  |  |
| --- | --- |
| **₦ K** | |
| Land clearing amortization (per hectare) | 30,000 : 00 |
| Land clearing amortization (200hectare) | 60,000, : 00 |

* ***Revenue:***

|  |  |
| --- | --- |
|  |  |
| **Yield per hectare 3tonnes@ ₦90000 per tonne** | **₦ K** |
| Revenue per hectare | 270,000 : 00 |
| For 200Ha | 54,000,000 : 00 |
| Net revenue for 200Ha(without amortization) | 194,889,860 : 00 |
| Net revenue with amortization(200ha clearing) | 194,919,860 : 00 |
| 2nd Production Cycle |  |
| Net revenue | 95,029,660 : 00 |
| Net revenue with amortization(200ha land) | 95,089,660 : 00 |
| Annual Net Revenue ( 1st + 2nd Cycle) | 289,949,520 : 00 |

Currency conversion rate:₦360.50 to 1USD

***Funding Mechanism***

Aare Afe Babalola will provide 200Ha of cleared farmland around airport road using his connections and lease it to members of the cooperative. He will also will also lease 3,000MT capacity silo as equity contribution

Equity investor to provide equity for equipment and vehicles purchase

Where possible equity investor to provide equity for working capital or otherwise secure loan at the rate of 9% through government intervention window at the Bank of Agriculture, Bank of Industry and Commercial banks.

***Conclusion***

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