**FOOD PRODUCTION AND HEALTH AWARENESS (AFE 202)**

**COURSE ASSIGNMENT**

**Research Question:** Prepare a business plan on a chosen agricultural enterprise following the guideline in the note. spiral bind and submit upon resumption. Minimum of five pages, times new roman size 12 with double spacing.

**NAME:**

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**DEPARTMENT:**

IRD (200 LEVEL)

**MATRIC NUMBER:**

18/SMS09/082

**DATE:**

27TH APRIL,2020.

 **A VIABILITY REPORT / BUSINESS PLAN FOR THE ESTABLISHMENT OF A TWO- ACRE HELICULTURE FARM IN UYO, AKWA-IBOM STATE, NIGERIA BY MAYOWA SAMUEL & FAMILY FARMS LIMITED.**

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:

Name:

Date:

**CONTENTS OF THIS REPORT**

1. Executive Summary/ Brief Description of the Project
2. Sponsorship, Management and Technical Assistance
3. Market and Sales
4. Technical Feasibility, Resources and Environment
5. Government Support and Regulation
6. Timelines of Projects
7. Estimated Project Cost and Revenue
8. Funding Mechanism
9. Conclusion

**EXECUTIVE SUMMARY/ BRIEF DESCRIPTION OF THE PROJECT**

Unwana Mayowa & Family Farms Ltd is a registered and licensed livestock farming company that is set to be based in Uyo, Akwa-Ibom State, Nigeria.We have done our detailed market research and feasibility studies and we were able to secure two acres of land to start our livestock breeding business. Our livestock breeding business is a going to be a standard one, hence will be involved in commercial breeding of snails and a few other livestock.

We choose to start our snail farming business in because we are sure of generating enough market for our snails considering the robust populations of communities in Akwa-Ibom that consume this product–and of course throughout Nigeria. We have plans in the works to start our snail processing plant and also start exporting our products to even places outside Nigeria. This is why aside from the fact that we’ve secured the required farming land for breeding snails in commercial level, we have also secured all the necessary permits that will enable us successfully run this type of business in Nigeria.

We are in the snail farming business because we want to leverage on the vast opportunities available in the livestock farming industry, to contribute our quota in growing the Nigerian economy, in national food (meat) production, to export agriculture produce from Nigeria to other countries and over and above.

Unwana Mayowa & Family Farms Ltd is well equipped and well positioned to become one of the leading snail farming business in the country, which is why we have been able to source for the best hands and equipment to run the business.

We have put process and strategies in place that will help us employ best practices when it comes to livestock breeding / snail farming processes and meat processing and packaging as required by the regulating bodies in Nigeria.

**SPONSORSHIP/MANAGEMENT**

Unwana Mayowa & Family Farms Ltd is a family registered livestock farming company that is owned and managed by Unwana Samuel and his immediate family members. The company will also be fully and single handedly financed by the owner – Unwana Samuel, alongside his immediate family members at least for a period of time.

**TECHNICAL ASSISTANCE**

This company will work hand-in-hand with Partners for Development (PfD), a multinational institution that works in agriculture, food security, increases agricultural efficiency, improves livestock health and promotes production of nutrient-rich foods amongst others. Through their package, Expanding Access to Services for Agricultural Enterprises (EASE) for small-scale agriculture like this, it’s able to provide us with manpower training, business development skills, agricultural skills training while extending financial inclusion.

It will also work with Vika Farms Ltd and Edidem Farms in Uyo, as they are good distribution channels for sales.

**MARKET AND SALES**

We are fully aware that marketing snails in a country like Nigeria can be a bit competitive because loads of people do eat snail meat. It will take good conscious effort for us to convince people to patronize us particularly.

Our goal is to grow Unwana Mayowa & Family Farms Ltd to become the leading livestock snail farms in Uyo and the whole of Nigeria which is why we have mapped out strategy that will help us take advantage of the potential market and grow to become a major force to reckon with in the snail farming cum livestock farming industry.

Over and above, we have perfected our sale and marketing strategies first by networking with agriculture merchants and intercontinental restaurants and hotels that rely on live snail from the snail farms cum livestock farming industry who are likely to refer become our customers.

In summary, Unwana Mayowa & Family Farms Ltd will adopt the following strategies in marketing our commercial farm produce;

* Introduce our snail farming business by sending introductory letters alongside our brochure to stake holders in the agriculture industry, intercontinental restaurants and hotels that rely on live snail from the snail farms cum livestock farming industry, Nigeria cum African communities, and agriculture produce merchant et al.
* Advertise our business and livestock farms in agro – allied and food related magazines and websites
* List our snail farms on yellow pages’ ads (local directories)
* Print out fliers and business cards and strategically drop them in offices, libraries, public facilities and train stations et al.
* Attend related agriculture / livestock and food 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)

**COMPETITION ANALYSIS**

As at 2017, research revealed that the Akwa-Ibom State government has established snail farms in 10 out of the 11 studied Local Government Areas in the state to ensure geographical spread of benefits. However, the impact of these farms including the private snail farms (concentrated in Uyo and Uruan) is not felt in the study areas. The government farms which were supposed to be for training, demonstration and source of viable stocks were underutilized due to lack of awareness on the benefits of snail farming. This resulted to non-adoption of the technology in many Local Government Areas. The number of snails in these farms ranged between 600 (Linnem farm) and 3,500 (Etinan Farms). A total of 24,650 snails were reared in the area, with a cumulative mortality of only 1.4% (356) recorded before harvesting. At this low production scale, 93.3% of the respondents still claimed to be producing at commercial scales.

**TARIFF AND IMPORT RESTRICTION**

Nigeria places high effective duty rates on imports into strategic sectors to boost the competitiveness of the local industries. While sectors like agriculture and mining, get a duty of 5% to 7%. However, zero duty on imported agricultural equipment will support the project under concern.

**MARKET POTENTIAL**

There is reasonable demand for snail in the Southern, Eastern and Western parts of Nigeria, constituting a potent market.

This keeps growing with greater consumer awareness of the implications of high cholesterol levels in the blood and the possible association with increased incidence of heart attacks, cardiovascular and other chronic diseases, the demand for snail meat in the local and international market has been growing.

**PROFITABILITY**

Averagely, fifty thousand (50,000) snails after two years, sold at the rate of N200 each (highly reduced price) will give you about N10 million. The gross profit margin possible in snail farming is about 100% in Nigeria. You can buy a snail for N200 and after rearing, selling it between N400 to N1000.

**N.B:** This projection is done based on what is obtainable in the industry, with the assumption that there won’t be any major economic meltdown that can impact negatively on household spending, bad weather, natural disasters (draughts, epidemics), and unfavorable government policies. The above projection might be lower and at the same time it might be higher given so many factors that can affect yield and profitability.

**TECHNICAL FEASIBILITY**

At Unwana Mayowa & Family Farms Ltd, we have hired people that are qualified, hardworking, dedicated, customer centric and are ready to work to help us build a prosperous business that will benefit all the stake holders (the owners, workforce, and customers).

As a matter of fact, profit-sharing arrangement will be made available to all our senior management staff and it will be based on their performance for a period of five years or more as agreed by the management of the farm.

Also, we are implementing our project using best international practices, sustainable production and due consideration for a completely eco-friendly enterprise. Moreover, snails have been shown to adapt to various environmental conditions hence can be raised in small towns, cities, farms, at backyard or commercial levels at villages.

**GOVERNMENT SUPPORT AND REGULATION**

With the current shaky value of items like oil, it creates other economic opportunities, market access, improved income for farmers and support the food security objective of government. This establishment is also in line with the economic diversification objective of the Nigerian government. To ensure that this is not a symbiotic relationship, this project will benefit from the favourable policy of zero duty for agricultural and equipment import and will benefit from the government intervention fund in the agriculture sector.

**PROJECT TIMELINE**

All things being equal, this project will be completed within 2 months preferably between July 2020 to September 2020.

**ESTIMATED PROJECT COSTS AND REVENUE**

**PREPARATORY EXPENSES**

|  |  |  |
| --- | --- | --- |
| **Activity** | **₦** | **K** |
| The amount needed to acquire / lease the farm land. | 1,000,000 | 00 |
| The total cost for payment of insurance policy covers (general liability, workers’ compensation, etc.) coverage at a total premium.  | 500,000 | 00 |
| The total fee for incorporating the business in Nigeria | 20,000 | 00 |
| Additional expenditure (Business cards, Signage, Adverts and Promotions et al). | 50,000 | 00 |
| The cost of launching official website. | 60,000 | 00 |
| Pen construction | 17,000 | 00 |
| Special snail formulated feed | 12,000 | 00 |
| Cost of buying breeder snails called point of lay @ N350 each ( 100 Pieces) | 35,000 | 00 |
| **Total** | **N1,640,000** | **00** |

1. **EQUIPMENT**

|  |  |  |  |
| --- | --- | --- | --- |
| **Name** | **QTY** | **₦** | **K** |
| Containers for laying eggs  | 10  | 2,200 | 00 |
| Shelving Boxes for snails  | 100  | 3,000 | 00 |
| Thermocouples  | 10 | 3,500 | 00 |
| Air humidifiers  | 4 | 8,000 | 00 |
| Water tank | 1 | 10,000 | 00 |
| Wheelbarrow | 2 | 16,000 | 00 |
| Small weighing scale | 1 | 5,000 | 00 |
| Watering can | 2 | 3,500 | 00 |
| Shovel and Rake | 2 | 6,000 | 00 |
| Hand Trowel | 1 | 2,000 | 00 |
| Water and feeding troughs | 4 | 3,000 | 00 |
| Hoe and Cutlass | 2 | 3,000 | 00 |
| Plastic buckets  | 4 | 1,600 | 00 |
| Plastic spoons and plastic plates | 6 | 1,000 | 00 |
| Hand Sprayer and Water Hose | 2 | 2,500 | 00 |
| **Total** |  | **N70,300** | **00** |

1. **VEHICLE**

 Type Model QTY ₦ K

|  |  |  |  |
| --- | --- | --- | --- |
|  Pick-up Truck  | Volkswagen  | 1 | 20,000,000 : 00 |

1. **OPERATIONAL COST (FOR THE FIRST THREE MONTHS)**

|  |  |  |
| --- | --- | --- |
| **Activity** | **₦**  |  **K** |
| Transportation of snails to owners | 3,000  | 00 |
| Salaries of workers | 40,000  | 00 |
| Input (Feed, water, etc.) | 2,000  | 00 |
| Government taxes | 3,000  | 00 |
| Running cost of farm vehicles | 20,000  | 00 |
| Repairs/maintenance | 12,000  | 00 |
| Payment of bills | 15,000  | 00 |
| Administrative costs | 8,000 | 00 |
| **Total**  | **N103,000**  | 00 |

**REVENUE**

|  |  |
| --- | --- |
| 1st cycle of yield, selling 50,000 snails @ ₦250 per snail (without amortization) | ₦ K1,250,000 00  |
| 1st cycle of yield, selling 50,000 snails @ ₦250 per snail (with amortization) |  875,000 : 00  |
| 2nd Production cycle of yield, selling 50,000 snails @ ₦250 per snail (without amortization) |  1,250,000 : 00  |
| 2nd Production cycle of yield, selling 50,000 snails @ ₦250 per snail (without amortization) |  875,000 : 00  |
| Annual Net Revenue ( 1st + 2nd Cycle) |  1,750,000 : 00 |

**FUNDING MECHANISM**

Unwana Mayowa & Family Farms Ltd is a family business that will be owned and managed by Unwana Samuel and his immediate family members. They are the sole financers of the firm, but may likely welcome other partners later which is why they decided to restrict the sourcing of the start-up capital for the business to just three major sources.

These are the areas where we intend sourcing for fund for Unwana Mayowa & Family Farms Ltd;

* Generate part of the start–up capital from personal savings and sale of his stocks
* Generate part of the start–up capital from friends and other extended family members
* Generate a larger chunk of the startup capital from the bank (loan facility).

*N.B:* We have been able to generate about N1,850,000 (Personal savings 1,600,000 and soft loan from family members N250,000) and we are at the final stages of obtaining a loan facility of N500,000 from our bank. All the papers and documents have been duly signed and submitted, the loan has been approved and any moment from now our account will be credited.

**CONCLUSION**

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