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MATRC NUMBER: 18/MHS02/023

DEPARTMENT: NURSING

COLLEGE: MEDICINE AND HEALTH SCIENCES

COURSE: ENTERPRENEURSHIP

 EXECUTIVE SUMMARY AND BRIEF DESCRIPTION OF THE PROJECT

The Ruky’s oil cooperative limited is a leading and standard groundnut oil producing company here in kogi state that intend to produce cooking groundnut oil to domestic and commercial customers not only here in Nigeria but also all over the world.

Our intention of starting our own groundnut oil producing company is so as to be able to sell highly refined and quality groundnut oil that is cholesterol free to our various customers not only here in kogi state but the whole Nigeria. Our intention is not only to establish our business for profit making but to also compete favorably with our competitors but nationally and internationally. This business plan is about the feasibility of an indeed economic viability of the development of a 800hecters groundnut plantation and the development of groundnut oil extraction in kogi state by RUKY’S Cooperative Society Limited. The farm will produce about 2,400tonnes of groundnut in a production cycle. The groundnut oil extraction will process about 8,400tonnes of groundnut seeds into edible groundnut oil, groundnut cake, groundnut oil, groundnut chikki peanut flour, groundnut masala, dry groundnut chutney powder. There is high domestic demand for all these product because of our of our huge population and production constraints leading to shortage of the commodity. The major groundnut producing states are kano, Kaduna, katsina, jigawa, sokoto, zamfara and kebbi in the north west; adamawa, bauchi, yobe and borno in the north east; and benue, plateau, taraba, nasarawa, fct Abuja, kogi, naija and kwara in the central zone. The proposed project will create economic opportunities, work opportunities and help conserve scarce foreign exchange. The entire groundnut to be processed will be sourced locally direct production, contract farming in kogi state and direct purchase from small holder farmers in other production areas. The project will create market access, improve income of farmers, contribute significantly to food security and create job opportunity .

SPORNSORSHIP

The project is sponsored by AHMEDSANI RODIYAT OYIZA, a prominent student of nursing department, medicine and health sciences college Afe Babalola university Ado Ekiti, Ekiti State. AhmedSanni Rodiyat is promoting the productivity of small holder farmers in Kogi State through the RUKY’S corporative society limited.

MANAGEMENT

The managing director will be responsible for the coordination of the day to day management of the corporative business. He will manage business risks and focus on wealth creation. He will mobilize organization resources to achieve set goals. The management will comprise of a democratically elected board of directors at the apex of the organization structure. This will be made up of the shareholders and members of the corporative who have stake in the growth of the business as well as agribusiness professionals in the project areas. The prime objective of the board will be to give strategic directions and policies that will ensure long term success of the organization.

TECHNICAL ASSISTANCE

Ruky’s corporative society limited has a working relationship with BOA (Bank Of Agriculture). Ruky’s corporative limited will fund the processing factory and access finance for the groundnut oil extraction equipments from BOI (Bank Of Industry) at the rate of 18%. Ruky’s corporative society limited will also seek grant from united state Africa development foundation (USADF). The corporative also has relationship with commercial banks and will approach one for loan to clear the land which will be leased to members of the corporative. The groundnut oil will be sold through corporative and other distribution channels.

MARKET AND SALES

MARKET ORIENTATION; domestic : north west, north east, and north central

USERS OF PRODUCTS; edible oil for human, groundnut oil, groundnut cake, peanut flour

MARKET SHARE; 10% Niche market in North West, North East, and North Central

COMPETITION ANALYSIS ; Groundnut production is mainly found in the northern part of Nigeria.

TARIFF AND IMPORT RESTRICTION; Zero duty on imported agricultural equipments will favour the project under consideration and forex restriction on food importation.

MARKET POTENTIAL; There is high demand for groundnut and groundnut derivatives nationally and internationally. The state of infrastructure is in a very perfect condition.

PROFITABILITY; Physical and environmental factors such as temperature, water, sunlight, air, soil conditions, varieties of seed, pests, diseases, price fluctuations, and other risks e.g weather, biological, chemical. Irrigation option will be factored in to ensure two cycle of production in a year.

 TECHNICAL FEASIBILITY

The production plant comprises of a toaster, oil expeller, filter press, holding tank, semi-automatic filling machine, pet bottle capping device and weighing machine. The plant will operate on a mechanical press process with fifty percent (50%) oil recovery rate and seven to eight percent (7-8%) oil residue.

On the groundnut production, we have specialist in mechanization, irrigation, farm management, crop production, weed science, market development, agric extension and accounting as part of our management team. We also have specialists in quality control as part of our management team.

We are implementing our project using the best international practices sustainable production and due consideration from the environment. Although some degree of deforestation will occur, the EIA (Environmental Impact Assessment ) report shows little or no damage to the environment as it relate to the issue of climate change. Organic fertilizer will substituted for chemical fertilizer within few years of farm operation.

GORVERNMENT’S SUPPORT AND REGULATIONS

The project conformed with the economic diversification objective of government. The project will benefit from government intervention fund in the agriculture sector. It also supports foreign exchange and import reduction conservation of government. The project will also benefit from the favorable policy of zero duties for agricultural and implement import. The project will also significantly contribute to job opportunities, stable price and stable exchange.

PROJECT TIMELINE

This project will be computed between twelve months that is a year within 2020 to 2021

LAND CLEARING

|  |  |  |  |
| --- | --- | --- | --- |
| ACTIVITY | QTY | N | K |
| Land clearing | 2 hectare | 460,000 | 00 |
| Cross cutting  | 2 hectare | 40,000 | 00 |
| Rome ploughing | 2 hectare | 50,000 | 00 |
| **Sub total** | 2 hectare | 300,000 | 00 |
| **Total** | 800 hectare | 240,000,000 | 00 |

EQUIPMENTS

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Name | QTY | MODEL | USD | N | K |
| Sub soiler | 2 | IS- 200 G | 6500 | 2340000 | 00 |
| Soy seeder | 2 | 2BFY-6C | 9900 | 3564000 | 00 |
| Tractor | 2 | YTO-904(90hp) | 48900 | 17604000 | 00 |
| Disc harrow | 2 | IBJ-3.0 | 7040 | 2534400 | 00 |
| Tripper | 2 | 7CX-8T | 18900 | 6804000 | 00 |
| harvester | 2 | 4YZ-6 | 207000 | 74520000 | 00 |
| Boom sprayer | 2 | 3W-1000L-18 | 13900 | 5004000 | 00 |
| Front loader | 2 | TZ10D | 13140 | 4730400 | 00 |
| Sub total |  |  | 325280 | 117100800 | 00 |

AMORTIZATION

|  |  |  |
| --- | --- | --- |
|  | N | K |
| Land clearing amortization (per hectare) | 30,000 | 00 |
| Land clearing amortization (per hectare) | 12,000,000 | 00 |

IRRIGATION

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type  | QTY | Model | USD | N | K |
| Hose Reel | 1 | 140-440MJ | 28,186 | 1,0146,960 | 00 |

VEHICLE

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Type | Model | QTY | N | K |
| Pick up Truck | HILUX | 5 | 120,000,000 | 00 |

FUNDING MECHANISM

Equity investor to provide equity for equipment and vehicles purchase

Where possible secure loan at the rate of 18% through government intervention window at the bank of agriculture, bank of industry and commercial banks.

CONCLUTION

The project is commercially viable and technically feasible. Therefore it is recommended for funding.