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DEPARTMENT: NURSING

MATRIC NUMBER: 18/MHS02/003

COURSE: FOOD AND PRODUCTION HEALTH AWARENESS (AFE202)

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.

**CONFIDENTIALITY AGREEMENT**

1. It is understood and accepted that the below that the identified reader acknowledges that the information provided in this business plan is a confidential 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.
2. The recipient agrees not to disclose the confidential information obtained from the discloser to anyone unless required to do so by law.

THEREFORE, the parties have accepted to abide by this agreement and voluntarily accept the duties and obligations.

Recipient’s Confidential Information: Name: Signature: Date:

Discloser’s Confidential Information: Name: Signature: Date:

CONTENTS OF THE BUSINESS PLAN

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**Executive Summary/ Project Description**

This business plan examines the feasibility of and indeed economic viability of the development of a 300hectares cassava plantation and the establishment of cocoa extraction every week in Abejide Field Crop Farming by SIMSA Agribusiness Ventures.

Cassava most especially in the form of cocoa is one of the most popular and widely consumed food crops in Nigeria. Because it is such an important food in our dear country and an extremely versatile crop, it is in fact, the cornerstone of food security in Nigeria. The competing needs for cassava cut across both human and animal consumption.

The analysis of the present market situation shows that selling as toasted granules [i.e. cocoa] will survive the existing competition because demand for cocoa is elastic.

More so, the financial analysis shows that the proposed project is not only profitable, but also viable, feasible and sustainable. From the second year, the project will generate sufficient cash to sustain production, hence; payback period is less than a year and a half {i.e. 11/2 years}.

Finally, careful assessment of the environmental and organizational factors using SWOT analysis reveals a project that has a promising future and high propensity of success.

**Sponsorship**

The project is sponsored by Mrs Bolz Brown, a business consultant, currently a GM in WEMA Bank. He is also involved in promoting the productivity of smallholders’ farmers in Nigeria. SIMSA Agribusiness Ventures will be responsible for the management consultancy of the projects.

**MANAGEMENT**

The management will comprise of a democratically elected Board of Directors at the apex of the organization structure:

1. Abejide Motolani President
2. Abejide Oyindamola Vice President
3. Odita Jordan Director
4. Ogbeni Joshua Secretary

They are members of board 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**

The firm has working relationship with IITA (International Institute of Tropical Agriculture, Ibadan) through an executed MOU. IITA has mandate in cassava production and processing and will provide technical assistance in this regard. The firm also has a working relationship with

BOA (Bank of Agriculture) and we are collaborating on SIMSA Annual Agric Expo where the President appreciate Imo Farmers through monetary award to the best 3farmers in each local government area{20 LGA’S} of the in Lagos State and the overall best farmer in the state. Bank of Agriculture has agreed to finance production of the 300hectares of cassava plantation through a loan at 9% interest rate (anchor borrower’s scheme) given to the cooperative.

**Market and Sales**

In cocoa business, the color, taste and friability of the cocoa particles determine the market. More so, consumer preferences vary from place to place, and region to region. For easy sale and delivery of cocoa locally in stores, restaurants, school hostels and offices, it is preferred that the cocoa are neatly packed in customized nylons. During festivities, they can be packed in hampers and colorful and portable bags.

Market orientation: domestic; South West & South East, Nigeria Market Share: 5% niche market in South West, South East Nigeria Users of Products: edible for human.

**Competition analysis**

Lagos State alone produced 44% of national output between1999 and 2017. Kaduna State followed with 27% of national output within the period. Taraba, Plateau, Kano, Niger and katsina produced 6% and below in the period. The seven state mentioned above produced 94% of national output within the period. Based on this above analysis, competition in terms of production in South West, Nigeria is non- existent Compare to the demand for produce.

**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 western part of Nigeria. The state of infrastructure though not perfect still supports production and trade within 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 invading the farm could affect yield and profitability. 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 are technically feasible. In terms of technology, which involve the crushing of cassava tuber and extraction of tuber, the industrial processes are simple and a specialist in cocoa extraction with more than 20years experience is part of our team. The needed equipment for cocoa extraction is readily available and our experts have hand on experience in the usage and maintenance of the equipment.

On the cassava production, we have specialists 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. The state of infrastructure around the Firm and generally in Sango is adequate and suitable for the location of the farm/firm for efficient production, processing and marketing. Raw materials will be produced and sourced locally.

**Government Support and Regulation**

The project conforms 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. The project will benefit from government intervention fund in the agriculture sector. The project will also benefit from the favorable 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**

The project will be completed within 6months preferably between April 2021 to October 2021.

**Estimated Project Costs and Revenue**

**Fixed Cost**

1. **Land clearing.**

|  |  |  |  |
| --- | --- | --- | --- |
| **ACTIVITY** | **QUANTITY** | **NAIRA** | **KOBO** |
| 1ton/hr. stainless steel grater  |  | 480,000 | 00 |
| pressers  |  | 150,000 | 00 |
| Stainless steel fryers  |  | 260,000 | 00 |
| fertilizers  | 5 BAGS  | 33,000 | 00 |
| Borehole  |  | 500,000 | 00 |
| TOTAL |  | 1,423,000 | 00 |

1. **Equipments**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **NAME** | **QUANTITY** | **MODEL** | **USD** | **NAIRA** | **KOBO** |
| Tractor | 1 | YTO-904(90hp)  | 24,450  |  | 00 |
| Disc harror | 1 | IBJ- 3.0  | 3,520  |  | 00 |
| Sub soiler | 1 | IS-200G  | 3,250  |  | 00 |
| Generator | 1 | 5yb-500j  | 385.11  |  | 00 |
| tipper | 1 | 7CX-8T  | 9,450  |  | 00 |
| Combined harvester  | 1 | 4YZ-6  | 103,500  |  | 00 |
| Boom sprayer  | 1 | 3W-1000L-18  | 6,950  |  | 00 |
| Front loader | 1 | TZ10D  | 6,570  |  | 00 |
| Sub total |  |  | 159,390  |  | 00 |

1. **Vehicle**

|  |  |  |  |
| --- | --- | --- | --- |
| **TYPE** | **MODEL** | **QUANTITY** | **NAIRA: KOBO** |
| Pick up truck | hilux | 2 | 30,000,000:00 |

**ETC**

Funding Mechanism

Rarebu will provide 300Ha of cleared farmland around the farm and lease it to members of the cooperative. Rarebu will also lease 6,000MT 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.