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Course: Afe202

1. Prepare a business plan on a chosen agricultural enterprise following the guidelines in the note.

Executive summary

Vee Products is a proposed venture that will be dedicated to the production of rice for homes, societies and communities in Ikeja, Lagos. Vee Products also will provide access to products to complement the product consulting services . This venture offers the personalized services the target market desires and can afford in a way that is unique from concept to implementation.

Recent market research indicates a specific and growing need in the area for rice plant and products, vee Products offers the market it will serve. The market strategy will be based on a cost effective approach to reach this clearly defined target market. Although the population of Ikeja is under 200,000, the market has a significant quantity of relatively wealthy households that are conscious of the nutrition of their home and society because rice provides nutrients . The approach to promote Vee Products will be through establishing relationships with key people in the community and then through referral activities once a significant client base is established. Vee Products will focus on developing solid and loyal client relationships offering best rice products based on the client's taste, budget, use, and goals of the yam product . The additional selection, accessibility of product, design services, and value-based pricing will differentiate Vee products from the other options in the area.

Sponsorship

This product is sponsored by Rotimi Williams a former journalist and the current owner of Kereksuk rice farm, the second largest commercial rice farm in Nigeria by land size.

Rotimi Williams is promoting the productivity of rice in Nasarawa state.

Rotimi Williams venture will be responsible for the management and consultancy of this project.

Management:

The business would be run by very experienced professionals in all important fields. Each department will have an administrative and technical manager which will be assisted by all other members of staff. The administrative head is responsible for all administrative functions which include receiving incoming orders for goods from consumers, giving weekly reports, balancing the accounts etc. The technical heads would be in charge of the manufacturing process, the product and its use. The managers and all members of staff would be evaluated periodically by the board of directors as well as the individuals they work with. There would be both proper and accurate recording of each transaction to check for any inconsistency this recording would be electronic based so as to make it easier more effective and accurate.

Technical assistance

As a business that supplies rice to people, Rotimi Williams has a working relationship with some business to help increase and improve the business by providing technical assistance.

There are various services to be rendered to improve the business which includes:

Internet access and business software development

Finance, which includes loans

Farming contracts

Creating a website for the business

Making awareness on banners, billboard, posters, flayers and television stations.

Market and sales

Market orientation: domestic; north east & north west, Nigeria

Market share: 10% niche market in north east, northwest Nigeria

Users of product: starch for humans, rice flour for consumption,

Competition analysis

Rice husk for building materials, rice straw for soil improvement.

Kebbi state is the state with the highest rice production rate in Nigeria, It recorded a harvest of 2 million metric tonnes of rice in the rainy season and about 1.5 million metric tonnes of rice in the dry season.

Benue state is the second state with the highest production rate,producing a capacity of 1,500,000 MT per year, followed by Ebonyi state, Ekiti state, Jigawa state, Kaduna state, Kano state

The places where significant production of rice took place in North East is Kebbi, Borno, Kano and kaduna states.

Based on this above analysis, competition in terms of production in North East, Nigeria is non- existent Compare to the demand for produce.

Tariff and Import Restriction:

MSC restriction on food importation and zero duty in the transportation of agricultural infrastructure materials or agricultural storage materials will favor the project under consideration.

Market potential

There is a very high demand of rice in the Western part of Nigeria because it is the most consumed cereal. The states are providing infrastructures to support the production and distribution of rice in Nigeria.

Profitability

Rice production is a profitable business in Nigeria due to the fact that it is among the most consumed cereal in Nigeria. A lot of factors reduce the profitability of rice production such as climate, diseases, pest, low quality soil, natural disasters e.t.c. However advanced technology has been put in place to reduce loss and increase profits.

Technical feasibility

The project is technically feasible. In terms of technology which involves the removing of the rice husk, the industrial processes are simple.

The equipment required for the removal of rice husks are available and we have experts that have experience in the use of the equipment available too.

We also have various specialists in planting, harvesting, weed removal, irrigation, accounting, distribution, market development, and crop production. We are implementing our project using best international practices, sustainable production and due consideration for the environment.

Government support and regulation

This particular project supports various objectives of the government. It provides employment opportunities for youths and other members of the community, it also helps in improving the market and reduces the importation

of foreign rice.

This project supports foreign exchange and creates economic opportunities.

Project timeline

This project will be concluded before or within a year,

Preferably September 2020 to September 2021.

Estimated project costs and Revenue

CAPITAL EXPENSES	Fixed cost
10 plots of land @ N180, 000	N2,000, 000
Block 10,000,000 pcs @ N120	N800, 000
Cement 200, 000 bags @ N2500	N900, 000
Cement Carriage	N200, 000
Woods	N152, 000
Roofing Sheets	N126, 000
Roofing Slate	N25, 000
Ceiling Slate	N15, 000
Reggie's	N7, 500
Nails	N12, 000
Net 15 bundles @ N4000	N60, 000
Iron door	N40, 000

N4,337,500

Stone Big 2 tipper @ N25, 000	N50, 000
Sharp sand (Mayans)	N20, 000
Soft Sand	N22, 000
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	N92, 000
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TOOLS

Shovel & Head pan	N20, 000
Scale (Digital)	N10, 000
Tank 1500litres	N23, 000
Tank 500 litres	N14, 000
sacks 7 pcs @ N700	N4, 900
1.5KVA Generator set	N100, 000
	= N171, 900

WORKMANSHIP

Carpenter	N65, 000
Bricklayer	N80, 00

N135, 000

PRODUCTION

1000 bags @ 200	N200, 000
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N200, 000

OPERATIONAL EXPENSES

Business Registration	N20, 000
Salaries and stationeries	N350, 000
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	N370, 000

SUMMARY

Capital expenses	N4, 936, 400
Operational expenses	N370, 000
TOTAL EXPENSES	<u>N5, 306, 400</u>

Funding mechanism

Vee will provide 600 Ha of farm land which has been cleared and will lease it to members of cooperatives.

Vee will also lease cribs to equity contribution. Possible equity investor will provide equity for working capital.

Conclusion

The project is technically feasible and commercially viable.

It is therefore recommended for funding.