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COURSE TITLE: FOOD SECURITY AND HEALTH AWARENESS

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. Send the soft copy to me to view.

BUSINESS NAME: UBAS VENTURES

TYPE OF BUSINESS: MAIZE FARMING

PRODUCTS: MAIZE/MAIZE PRODUCTS

**A BUSINESS PLAN FOR THE DEVELOPMENT OF A THREE HECTARES MAIZE
PLANTATION AT SHAGAMU, OGUN STATE, NIGERIA BY UBAS VENTURES AND
CONSULTANCY CONFIDENTIALITY AGREEMENT**

The 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.

TABLE OF CONTENTS

1. Executive summary
2. Marketing strategy
3. Business ownership and sponsorship
4. Market demand
5. Competitive analysis
6. Profitability
7. Government support and regulation
8. Project timeline
9. Financial Analysis
10. Funding mechanism
11. Conclusion

EXECUTIVE SUMMARY

The vision of this enterprise is to ensure efficient production of maize seeds in Ogun state particularly in Shagamu town. This venture will be located in Shagamu because of easy access to the market for sale. Availability of market for business to serve is very important. Then competitive edge of the enterprise lies on the ability to produce a reasonable quantity of Fresh maize, Swallow, Igba oka, Pap and Agidi.

This proposed project will create economic opportunities, impact positively on the people and help conserve scarce foreign exchange. The project will create market access, improve income of the farmers and contribute significantly to food security. It will also generate satisfactory returns for investors. The analysis of the present market situation shows that the maize products can survive any existing unforeseen competition. More so, financial analysis shows that the proposed project is not only profitable, but also viable, feasible and sustainable.

Introduction

The plan of this maize business farm is based on the result of the assessment of Shagamu town of Ogun State. It states this assessment has pointed out the high demand of maize products in the area while there are only few maize farms available. So, the establishment of this business will go a long way to address the poor maize production in the Shagamu town.

Objective

The main objective is to maximize profit by taking advantage of other farmers weakness in the dry season and satisfying the salivating needs of the targeted customers and to ensure the availability of maize products but known to the people and the new uses that is not known which

will serve as snacks to the people in and out of its season and to also produce very healthy maize seeds that guarantee the best of product, free of infections.

MARKETING STRATEGY

An effective production can be inefficient when there is a lax in marketing. A good production technique without sound marketing strategies is indeed a work in vain. Even though there is a ready-made demand for fresh maize in the market more needs to be done to ensure rapid distribution and profitable sale of the maize. Experts have calculated that with the increasing Nigerian population, the demand of maize as food will increase. The increasing price of food items in Nigeria at the moment, is generally becoming a blessing for existing farmers and prospective ones alike. Worthy of emphasis at this juncture is that, it is no more news that the Nigerian government is currently implementing strategies to reduce its dependency on crude oil, and its paying special attention to the agricultural sector. It is important that before setting up a maize farm, the prospective farmer should identify his market ambition.

The farmer has to determine:

1. Whether to sell in bulk or in units of packs.
2. Whether to sell raw or sell processed (after adding value to it).
3. Whether to use middlemen.
4. Whether to sell at farm price or at prevailing market price.

The most important thing is to make a choice of decisions that will give great results given the resources available to the venture.

Success factors

1. Planting of maize variety that people will have taste for.
2. Existence of reliable market outlets.
3. Availability of water supply.
4. Ensuring the use of fertilizers in order to foster the proliferation of large quantity products that are healthy.

BUSINESS OWNERSHIP AND SPONSORSHIP

The business will be owned by the UBAS ventures Group. Just like other group activities, it will be operated under the control of the members through the Project Management Council.

Location factors: It is located in Shagamu town of Ogun State.

Information on the choice of location include:

1. Its nearness to the Shagamu market, which create easy access of product for sale.
2. Cheap and reliable labor.
3. Existence of good road.

MARKET DEMAND AND FEASIBILITY OF LAND EXPANSION IN THE FUTURE FOR MORE PRODUCTS

It has been brought to notice that the demand increases every year to about 45% due to population rise. In Shagamu, the demand of maize consumers has been met by the existing suppliers of maize /maize products and this means that entrants will be attracted to the business as long as there will be expansion.

COMPETITIVE ANALYSIS

People will buy more from here because of the high quality and well refined products, fair and best possible prices, and then again variety of maize available. Our major competitive advantages are: Well packaged goods and highly affordable prices. The location of UBAS ventures in Shagamu must extend its tentacles to the nearby markets like Asaba main market, and also Onitsha market. This will definitely boost the rate of demand of maize/maize products and as well as supply.

Environment

Get a suitable farmland in a good farming location. Make sure the land is fertile and cheap, so that much money won't be wasted only on land. Clear the farmland, get the suitable maize seed to plant.

PROFITABILITY

Maize products and food are by far one of the most consumed food in Nigeria. In other words, maize has the one of the largest market shares in Nigerian food business. People eat in different forms – Swallow, Agidi. The likelihood of making it in maize farming business in Nigeria is very high due to the high demand of based food in the market. However Biological and environmental factors such as sunlight, water, air, varieties of pests, price fluctuations and others could affect yield and profitability.

GOVERNMENT SUPPORT AND REGULATION

The project is in correlation with the economical objective of the government. It also supports foreign exchange and import reduction conservation of government. It creates 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. The project will contribute significantly to employment, output increase, stable price and stable exchange rate.

PROJECT TIMELINE

The project will be completed within 6-7 months preferably between September, 2020 to March, 2021 because land clearing is mostly done in the dry season.

FINANCIAL ANALYSIS

A standard spacing for the sole maize cultivation is 0.75m x 0.75m.

And 7.0 acres = 3 ha = 30,000m²

No of stands/ha = 30,000 / (0.75 x 0.75) m²

= 30,000m² / (0.5625) m² = 53,333stands/ha

Hence, 53,333 stands of maize are expected on the 7.0 acres of land.

Assuming, the maize variety seed produces 1 cob per plant;

therefore, the yield in 3 ha of sole maize plantation will be 53,333 cobs.

Meanwhile, during the dry season, maize cobs will be sold per unit of 3

Making total of 53,333 / 3 = 17,777 units.

And each unit will be sold at N200.

So therefore, the expected Total Revenue acquired from 3-ha sole maize plantation in dry season is minimum of (17,777 x 200) = N3,555,533

Meanwhile during rainy season, maize cobs will be sold per unit of 5

Making a total of $53,333 / 5 = 10,666$ units.

And each unit will be sold at N150

Therefore, the expected Total Revenue acquired from the 3-ha sole maize plantation rainy season is minimum of $(10,666 * 150) = N1,599,990$

The following table summarizes all the costs that would be involved in executing this project.

Table 1: Fixed and Variable costs

FIXED COST		
ITEMS	N	N
BORE-HOLE	₦500,000.00	
IRRIGATION SYSTEM	₦800,000.00	
TOTAL FIXED COST	₦1,300,000.00	₦1,300,000.00
VARIABLE COSTS		
INPUT	N	N
7 BAGS OF FERTILIZER	₦33,000.00	
4L OF PESTICIDES	₦4,500.00	
5L OF SUPER GRO	₦5,000.00	
4 BAGS OF DROUGHT MAIZE SEEDS	₦30,000.00	
FUEL (4L/PER DAY) FOR 80 DAYS	₦32,625.00	

LABOUR		
LAND CLEARING	₦80,000.00	
WEEDING	₦30,000.00	
RIDGE MAKING	₦100,000.00	
FARM MANAGER	₦60,000.00	
FARM ASSISTANT	₦30,000.00	
MISCELLANOUS	₦10,000.00	
TOTAL VARIABLE COST	₦415,125.00	
		₦415,125.00
TOTAL COSTS		₦1,715,125.00

Profit and Break-Even Point

Total Revenue for dry season = N3,555,533

Total Revenue for rainy season = N1,599,990

Total Variable Cost is = N415,125

Gross Margin for dry season = TR – TVC = N (3,555,533 – 415,125)

= N 3,140,408

Gross Margin for rainy season = TR – TVC = N (1,599,990 – 415,125)

=N1,184,865

Meanwhile Table 2 shows the estimated seasonal sales, cash gained per season and the annual cash gained.

YEAR	SEASONS	CASH PER SEASON	ANNUAL CASH PER SEASON
1	Dry season	₱3,140,408.00	
	Rainy season	₱1,184,865.00	
			₱4,325,273.00
2	Dry season	₱3,140,408.00	
	Rainy season	₱1,184,865.00	
			₱4,325,273.00
3	Dry season	₱3,140,408.00	
	Rainy season	₱1,184,865.00	₱4,325,273.00

AMORTIZATION	
LAND CLEARING AMORTIZATION PER HECTARE	₱30,000.00
LAND CLEARING AMORTIZATION (3 HECTARES)	₱90,000.00

REVENUE	
REVENUE PER HECTARE	₱435,000.00
REVENUE FOR 3 HECTARES	₱1,305,000.00

FUNDING MECHANISM

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.

CONCLUSION

The proposed maize production project has a reasonable chance of success at the start and its sustainable. The all year-round maize has the propensity to be produced efficiently and can be marketed efficiently. The project is technically feasible and commercially viable. It is therefore recommended for funding.