NAME; OMAJUGHO TEMINERE JENNIFER

MATRIC NO; 18/mhs02/147

COURSE; AFE 202

ASSIGNMET

Prepare a business plan on a chosen agricultural enterprise.

EXECUTIVE SUMMARY/ PROJECT DESCRIPTION

This business plan examines the feasibility of an economic viability of the development of a 600hecteres cassava plantation and the establishment of cassava extraction in ekiti state by afe babalola university and afe babalola farmers cooperative society limited which might be 1000 youths from ekiti state. The farm will produce about 8.02million metric tones of cassava in a production cycle there are high demand for these product because of the lockdown, our huge population, production is currently popular in lagos, kanno, kebbi and lokoja state in Nigeria imports large amount of cassava. The project will create market access improve income of framers, reduce the large importation of foreign cassava and contribute to food to food security.

SPONSORSHIP

The project is sponsored by Aare Afe Babalola the founder of afe babalola university. He is increasing the productivity of small holder framers in ekiti state through afe babalola cooperavtiv limited, the university has a department of agriculture and experts with many years of experience in the project being proposed.

MANAGEMENT

This will be made up of shareholders and member of the cooperative 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 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 shall be responsible for the coordination of the 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 PARTNERS

The university has working relationship with IITA through an executed MOU, IFAD, africarice and NAN (news agency of Nigeria). The university also has a working relationship with BOA (Bank of Agriculture) and we are collaborating on Aare Afe Babalola Annual Agric Expo where the founder appreciate Ekiti farmers through monetary award to the best 3 farmers in each local government area of the 16 L.G.A in Ekiti state and the overall best farmer in the state.

MARKET AND SALES

Market orientation; domestic; south west and south and east Nigeria

Market share; 37% niche market in south, west, south, and east Nigeria

Users of product; milling process of cassava determines nutrition in human, cooking and sensory quality of cassava

TECHNICAL FEASIBILITY

The project (production of cassava and cassava is technically feasible). The supply gap for good quality cassava creates a significant business opportunity for milling and this report explains the viability of setting up of a 1000tones capacity cassava in lagos state. Cassava cultivation is largely by small farmers. Nigeria is west Africa largest producer and consumer of cassava, producing an average of 3.2million tons of cassava for over 5yrs. However local demand for cassava far over weights local production and the nation is forced to rely on massive importation to bridge the gap.

GOVERNMENT SUPPORT AND REGULATORY POLICIES

The project conform with the economic diversification 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 objective of government.

PROJECT IMPLEMENTATION TIMELINE

The project will be completed within 8months preferably between JANUARY 2020 to AUGUST 2020 because land clearing is mostly done in the dry season.

PROJECT COST AND AVENUE ESTIMATE

PROJECT COST

|  |  |  |
| --- | --- | --- |
| **WORKING CAPITAL** |  **₦**  | **K** |
| Ploughing/Ha |  20,000  | 00 |
| Harrowing/Ha  |  16,000  | 00 |
| Sub total  |  36,000 | 00 |
| **For 800 Ha** |  **30,000,000**  |  **00** |
| Mechanization and storage |  210,000  |  00 |
| **For 800Ha** |  **50,000,000** |  **00** |
| Input / Ha  |  70,825 |  00 |
| **For 800Ha** |  **50,730,000** |  **00** |
| Area yield insurance |  20,500 |  00 |
| Produce aggregation |  10,500 | 00 |
| Geo Spatial Service |  15,500 |  00 |
| Sub total  |  55,500 |  00 |
| **For 800Ha** |  **9,400,000** |  **00**  |
| Interest per hectare |  29,000 |  00 |
| **For 800Ha** |  **10,000,000**  |  **00**  |
| Total cost per hectare |  260,850 |  00 |
| **Total cost for 800Ha** |  **123,130,000**  | **00** |
| Loan principal and interest (cost per Hectare) |  267,404 | 25 |
| **Total for 800Ha** |  **110,561,700** |  **00**  |
| **Irrigation cost for 800Ha (excluding fixed cost)** |  **50,200,000** | **00** |

 **REVENUE**

|  |  |
| --- | --- |
| **Yield per hectare 5tonnes@ ₦180000 per tone** |  |
|  |  **₦ K** |
| **Revenue per hectare** |  **750,000 : 00**  |
| **For 800Ha** |  **200,000,000 : 00** |
| **Net revenue for 800Ha(without amortization)** |  **80,500,000 : 00** |
| **Net revenue with amortization(400ha clearing)** |  **70,330,300 : 00** |
| **2nd Production Cycle** |  |
| **Net revenue** |  **60,250,180 : 00** |
| **Net revenue with amortization(400ha land)** |  |
| **Annual Net Revenue ( 1st + 2nd Cycle)**  |  **120,058,480 : 00**  |

**Currency conversion rate:₦360.00 to USD**

**FUNDING MECHANISM**

ABUAD will provide 800Ha of cleared farmland around the university and lease it to members of the cooperative.

## CONCLUSION

This project is technically feasible, It also supports foreign exchange and import reduction conservation of government.