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**MATRIC NO: 18/LAW01/209**

**ASSIGNMENT TITLE: FOOD PRODUCTION AND HEALTH AWARENESS**

**COURSE TITLE/CODE: Afe**

***A FEASIBILITY REPORT / BUSINESS PLAN FOR THE DEVELOPMENT A MAIZE (CORN) FARMING PROJECT BY DEBORAH MAIZE FARMS.***

The undersigned 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.

It is acknowledged by the reader that information furnished in this business plan is in all respect confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by the reader, may cause serious harm or damage to the promoters of the proposed business.

Upon request, this document is to be immediately returned to the promoters of the proposed business

Signature:

Name:

Date:

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***Executive Summary/ Project Description***

Deborah’s Maize Farms, is a registered commercial farm that will be based in the outskirts of Ibadan, Nigeria. We have done our detailed market research and feasibility studies and we were able to secure a well – situated and suitable farm land to start our commercial maize farming.

Our commercial maize farm is a standard farm hence will be involved in commercial maize cultivation, maize processing and packaging. We will be involved in both organic commercial maize farming and non – organic commercial maize farming.

We have put plans in place that will help us launch a standard and world – class maize processing plant within the first three years of officially running Deborah’s Maize Farms. We will process and package maize and ensure that they flood the market both in the Nigeria and in other countries of the world.

We want to compete with the best in the industry, which is why asides from the fact that we have secured the required farm land and most of the farming equipment and machines, we have also hired some key employees who are currently undergoing training so as to fit into the ideal picture of the 21st century commercial maize farm workforce that we want to build.

We are in the commercial maize farming business because we want to leverage on the vast opportunities available in the commercial farming industry to contribute our quota in growing the Nigerian economy, in national food production, raw materials production for industries, to export agriculture produce from Nigeria to other countries and over and above to make profit.

Deborah Maize Farms, is well positioned to become one of the leading commercial maize farms in the Nigeria, which is why we have been able to source for the best hands and farm machinery to run the farm with. We have put processes and strategies in place that will help us employ best practices when it comes to commercial maize farming as required by the regulating bodies in the Nigeria.

Our Services: Deborah Maize Farms, is a world class commercial farm that is committed to cultivating both organic and non – organic maize (corn) for both the Nigerian’ market and the global market. We are in business to produce both food and raw materials for people and industries in commercial quantities. We will also ensure that we operate a standard maize processing and packaging plant as part of our complimentary business.

We are in this line of business to make profits, and we will ensure that we do all that is allowed by the law of Nigeria to achieve our business goals and objectives. These are the areas we will concentrate on in our commercial maize farms. If need arises we will definitely cultivate related crops;

* Cultivation of variety of maize (organic and non – organic)
* Standard Food Processing Plant

Our Mission and Vision Statement: Our vision is to become one of the leading commercial maize farms and maize processing and packing brand not just in Nigeria but also on the global stage.

Deborah Maize Farms, Inc.  is a world class commercial maize farm that is in business to cultivate organic, non – organic and processed maize for both Nigeria market and the international market.

* We want our well – packaged maize to flood every nooks and crannies of Nigerian and other countries of the world.

***Sponsorship***

Deborah Maize Farms, is a family business that is owned by Barr, (Mrs.) Deborah Ukiho and her immediate family members. The farm cum business will be fully and single handedly financed by Deborah and her immediate family members. Before starting Deborah Maize Farms, Deborah has worked with some of the leading commercial farms and food processing plants in Nigeria; she has a degree (B.Sc.) in Agricultural Science from Afe Babalola University.

***Management***

Deborah Maize Farms, is a commercial maize farm that intends starting small in Ibadan, but hopes to grow big in order to compete favorably with leading commercial maize farms in the commercial farming industry both in Nigeria and on the global stage.

We are aware of the importance of building a solid business structure that can support the picture of the kind of world class business we want to own. For this reason, we are committed to only hire the best hands in and around Nigeria.

At Deborah Maize Farms, we will ensure that we hire people that are qualified, hardworking, dedicated, customer centric and ready to work to help us build a prosperous business that will benefit all the stake holders (the owners, workforce, and customers).

In view of the above, Deborah Maize Farms, have decided to hire qualified and competent hands to occupy the following positions;

* Chief Operating Officer
* General Farm Manager
* Administrator/Accountant
* Maize Cultivation Manager/Supervisor
* Maize Processing and Packaging Plant Manager
* Sales and Marketing Executive
* Field Employees
* Front Desk Officer

***Technical Assistance***

Deborah Maize Farms is a family business that will be owned and managed by Mrs. Deborah and her immediate family members. They are the sole financiers of the firm, but may likely welcome other partners later which is why they decided to restrict the sourcing of start – up capital for the business to just three major sources.

These are the areas where we intend sourcing for fund for Deborah Maize Farms.;

* Generate part of the start – up capital from personal savings and sale of his stocks
* Generate part of the start – up capital from friends and other extended family members
* Generate a larger chunk of the startup capital from the bank (loan facility)

***Market and Sales***

We are quite aware that the reason why some commercial maize farms hardly make good profit is their inability to sell off their maize as at when due. Corn ripens within a short time after harvest and if they are not sold or processed, they will get so hard that it won’t be good for direct consumption. In view of that, we decided to set up a standard corn processing plant to help us maximize profits.

Our sales and marketing team will be recruited based on their vast experience in the industry and they will be trained on a regular basis so as to be well equipped to meet their targets and the overall goal of the organization. We want to build a standard and world – class maize farm that will leverage on word of mouth advertisement from satisfied clients (both individuals and businesses).

Over and above, we have perfected our sales and marketing strategies first by networking with agriculture merchants and companies that rely on corn as their major raw material. In summary, Deborah Maize Farms will adopt the following strategies in marketing our commercial maize farm produce;

* Introduce our business by sending introductory letters alongside our brochure to stakeholders in the agriculture industry, grocery stores, maize merchants, hotels, production companies that rely on supply of maize as raw materials and maize processing plants et al.
* Advertise our business in agriculture and food related magazines and websites
* List our commercial maize farm on yellow pages ads
* Attend related agriculture and food expos, seminars, and business fairs et al
* Leverage on the internet to promote our business
* Engage in direct marketing
* Encourage the use of word of mouth marketing (referrals)

***Competition analysis***

The truth is that, it is easier to find entrepreneurs flocking towards an industry that is known to generate consistent income which is why there are more commercial farmers in Nigeria and of course in most parts of the world.

As a matter of fact, entrepreneurs are encouraged by the government to embrace commercial farming. This is so because part of the success of any nation is her ability to cultivate her own food and also export foods to other nations of the world.

Deborah Maize Farms is fully aware that there are competitions when it comes to selling commercial farm produce including corn all over the globe, which is why we decided to carry out thorough research so as to know how to take advantage of the available market in Nigeria and in other parts of the world.

We have done our homework and we have been able to highlight some factors that will give us competitive advantage in the marketplace; some of the factors are effective and reliable maize farming processes that can help us sell our produce at competitive prices, good network and excellent relationship management.

Another competitive advantage that we are bringing to the industry is the fact that we have designed our business in such a way that we will operate an all – round standard commercial maize farm that will also include a corn processing plant. With this, we will be able to take advantage of all the available opportunities within the industry.

Lastly, our employees will be well taken care of, and their welfare package will be among the best within our category (start – ups commercial maize farms) in the industry meaning that they will be more than willing to build the business with us, help deliver our set goals and achieve all our aims and objectives.

***Tariff and Import Restriction***

Forex restriction on food importation and zero duty on imported agricultural equipment will favour the project under consideration.

***Market Potential***

The Maize (Corn) Farming Industry is indeed a very large industry and pretty much thriving in all parts of the world especially in developed countries which developing countries depends on. Therefore, having such industry in Nigeria will have a huge impact in the country’s economy.

***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***

If you want to get the right pricing for your farm produce, then you should ensure that you choose a good location for your commercial farm, choose a good breed/seed that will guarantee bountiful harvest, cut the cost of running your farm to the barest minimum and of course try as much as possible to attract buyers to your farm as against taking your farm produce to the market to source for buyers; with this, you would have successfully eliminated the cost of transporting your harvest to the market and other logistics.

We are quite aware that one of the easiest means of penetrating the market and acquiring loads of customers for all our corn is to sell them at competitive prices hence we will do all we can to ensure that the prices of our corn are going to be what other commercial corn farmers would look towards beating.

One thing is certain, the nature of commercial farming makes it possible for farmers to place prices for their farm produce based on their discretion without following the benchmark in the industry. The truth is that it is one of the means of avoiding running into a loss. The earlier you sell off your harvested maize, the better for your business.

Payment Options: The payment policy adopted by Deborah Maize Farms, is all inclusive because we are quite aware that different customers prefer different payment options as it suits them but at the same time, we will ensure that we abide by the financial rules and regulation of Nigeria.

Here are the payment options that Deborah Maize Farms, will make available to her clients;

* Payment via bank transfer
* Payment with cash
* Payment via online bank transfer
* Payment via check
* Payment via Point of Sale Machines (POS Machines)
* Payment via mobile money transfer
* Payment via bank draft

In view of the above, we have chosen banking platforms that will enable our clients make payment for farm produce purchase without any stress on their part. Our bank account numbers will be made available on our website and promotional materials.

Advertising Strategy:Any business that wants to grow beyond the corner of the street or the city they are operating from must be ready and willing to utilize every available means (both conventional and non – conventional means) to advertise and promote the business.

We intend growing our business which is why we have perfected plans to build our brand via every available means. Below are the platforms we will leverage on to boost our commercial maize farm brand and to promote and advertise our business;

* Place adverts on both print (newspapers and magazines) and electronic media platforms
* Sponsor relevant community based events/programs
* Leverage on the internet and social media platforms like; Instagram, Facebook, twitter, YouTube, Google + et al to promote our business
* Install our billboards in strategic locations all around Nigeria
* Engage in roadshows from time to time in targeted neighborhoods
* Distribute our fliers and handbills in target areas
* Contact hotels, restaurants, grocery stores, production companies that rely on the supply of corn, agriculture produce merchants and residents in our target areas by calling them up and informing them of Deborah Maize Farms, and the farm produce we sell
* List our commercial maize farms in local directories/yellow pages
* Advertise our commercial maize farms in our official website and employ strategies that will help us pull traffic to the site.
* Ensure that all our staff members wear our branded shirts and all our vehicles and trucks are well branded with our company logo et al.

***Government Support and Regulation***

The project conform with the economic diversification 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 also benefit from the favourable 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 November, 2020 to April, 2021 because land clearing is mostly done in the dry season.

***Estimated Project Costs and Revenue***

When it comes to calculating the cost of starting a commercial maize farm with a corn processing plant, there are some key factors that should serve as a guide. Factors such as the capacity of maize processing plant you want to own and the size of the commercial maize farm.

Besides, in setting up any business, the amount or cost will depend on the approach and scale you want to undertake. If you intend to start a world – class commercial farm, then you would need a good amount of capital as you would need to ensure that your employees are well taken care of, and that your farm is conducive enough for workers to be creative and productive.

This means that the start-up can either be low or high depending on your goals, visions and aspirations for your business. The tools and equipment that will be used are nearly the same cost everywhere, and any difference in prices would be minimal and can be overlooked.

As for the detailed cost analysis for starting a commercial maize farm; it might differ in other countries due to the value of their money. Below are some of the basic areas we will spend our start – up capital in setting up our commercial maize farm;

* The total fee for incorporating the business in United States of America – **$750**
* The total cost for payment of insurance policy covers (general liability, workers’ compensation and property casualty) at a total premium – **$9,400**
* The amount needed to acquire/lease a farm land – **$50,000**
* The amount required for preparing the farm land – **$70,000**
* The cost for acquiring the required working tools and equipment/machines/fencing et al – **$10,000**
* The amount required for purchase of the first set of maize seedlings et al – **$50,000**
* The amount required to set up a standard maize processing plant within the farm facility – **$100,000**
* Operational cost for the first 3 months (salaries of employees, payments of bills et al) – **$40,000**
* The cost of launching an official website – **$600**
* The amount required for payment of workers for a period of 3 months – **$100,000**
* Additional Expenditure (Business cards, Signage, Adverts and Promotions et al) – **$2,000**

Going by the report from detailed research and feasibility studies conducted, we will need an average of **$500,000** to start a standard commercial maize farm with corn processing plant business in the United States of America. These are some of the equipment that we would need to fully launch our commercial maize farm,

* Tractor
* Soil cultivator
* Plough
* Harrow (e.g. Spike harrow, Drag harrow, Disk harrow)
* Stone / Rock / Debris removal implement (e.g. Destoner, Rock windrower / rock rake, Stone picker / picker)
* Broadcast seeder (alternatively: broadcast spreader, fertilizer spreader or Air seeder)
* Planter
* Plastic mulch layer
* Transplanter
* Sprinkler system irrigation
* Mower
* Sickle
* Wheel Barrow
* Truck

Basically, the nature of commercial maize farms does not require an office space; most people that run commercial farms operate directly from their farms. But we have decided to open a small liaison office; a place where administrative jobs will be carried out on behalf of the business.

**Currency conversion rate:₦360.00 to 1USD**

***Funding Mechanism***

We have been able to generate about **$100,000** (*Personal savings $80,000 and soft loan from family members $20,000*) and we are at the final stages of obtaining a loan facility of $400,000 from our bank. All the papers and documents have been duly signed and submitted, the loan has been approved and any moment from now our account will be credited.

***Conclusion***

The project is technically feasible and commercially viable. It is therefore recommended for funding.