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**DEPARTMENT:** Public health

**MATRIC NUMBER:** 18/MHS08/003

COURSE: AFE 202

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

Answer

A business plan is a written document that describes your business’s future, it tells you what you plan to do and how you plan to do it. It can also be said to be a formal written document containing business goals, the methods on how these goals can be attained, and the time frame within these goals need to be achieved. A plan has to involve WHY, WHAT, WHERE, WHEN, HOW and HOW MUCH. Writing a plan forces you to look deep at the idea and how you will turn it into a business, it also helps to recognize areas that need adjustments. A business plan should be written by the entrepreneur more so, some experts may be involved such as Accountants, Marketing and Management Consultants, Engineer. A business plan is an extension of an individual’s desires, goals, philosophies, skills and abilities, if the entrepreneur is not directly involved then it cannot be an effective business plan. There are a few very good reasons to put together a business plan which include:

• A business plan provides structure to thinking and helps make sure all grounds are covered.

• A business plan helps to provide direction by making the individual define where they want to take the venture and what they want out of it.

• A business plan serves as a good communication tool.

* A business plan urges the individual to think about the future.

**BUSINESS PLAN FOR SOUGHUL’S FARMS**

**Prepared by:** G-Consulting International Services Ltd.

**For:** SOUGHUL’S FARMS

**NOTE: It is acknowledged by the reader that information furnished in this business plan(SOUGHUL’S FARMS) 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**

 SOUGHUL’S farms will be top tier and known for our quality products and services. We will provide high quality Fish and various fish derivatives. We will be exporting not just Fish but eggs and also different types of derivatives. Due to our size and capacity we will service not just the end users to provide table fish but also a host of other aquatic farms and other industries. We have carried out a very thorough feasibility study on a wide range of fish products and have carefully studied different business models for this business. In view of this we have only adapted the best model for not just for our business but also to enable us serve other industries well. Our handpicked business strategies adequately address the issues of quality as it relates to the genetic makeup of different fish species such as salmon, catfish, puffer fish, clams, snails etc and fisheries technologies to make sure that only the best and finest fish products are out from our farm. It is important to note that we cannot achieve such a feat without highly trained and qualified hands on deck. That is why we will put up laboratories and Ponds. As mentioned earlier, this is to help us to achieve great results and give the best quality. Our well trained professionals take into consideration every little detail. SOUGHUL’S Farms sits on two hundred hectares of land on the outskirts of Senqunyane river, Lesotho. Which I believe will strengthen international trade between African countries.

Especially when it comes to aquatic life, we have researched that different climatic conditions have various health implications on the fish such as the turbidity and ph. That is why we will invest a fortune in research to raise genetically modified disease resistant aquatic species which could also adapt easily to different factors. The increasing awareness of the health implications of red meat makes people globally to opt for fish, which is healthier to consume. This single factor will spike the demand for fish products.

**Sponsorship**

The project is sponsored by Aare Afe Babalola, a legal luminary and founder of Afe Babalola University, Songhai farms Ltd and the FAO. G-Consulting International Services Ltd will overlook this project.

**Industry Analysis**

 This project will form part of the fisheries Industry and the greater Agricultural Industry of Nigeria and Lesotho. The fisheries industry is threefold as it is divided into the following sub-industries:

* Inland or Fresh water fisheries
* Marine fisheries

This will make a huge impact on the Fisheries Society of Nigeria (FISON), National Fish Association of Nigeria (NFAN). These industries can be said to be a major factor in food production in Nigeria. It provides 40% of Nigeria’s protein intake with fish consumption at 13.3 kg/person/per year. Some Key issues that may be influencing the productivity of the industry include the following:

* Fish related diseases such as dropsy and cloudy eye.
* Urbanization.
* Redistribution of land.
* Imports posing great competition to local players.
* Raw material prices.
* Applicable product standards and regulations.
* Food safety certification.

 **Market Analysis**

 The marketing efforts will focus on identifying and understanding the ever changing needs and preferences of the customers in order to satisfy them. The marketing mix will drive the customer value proposition of the project. The following is an account on the product, promotion, place and packaging that will be applied to the selected market segment. The main products of the project will be the mutton produced by the fish. The project will strive to improve the quality of the mutton produced and sold by providing the right nutrition and environment condition for the layers. Other products to be sold by the project will include fish oil, other aquatic life and fish feed.

**Human Resources**

**Projected staff strength**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| Manager | 2 | 3 | 4 | 4 | 5 |
| Marketing Officer | 4 | 4 | 4 | 8 | 8 |
| Accountant | 2 | 2 | 3 | 4 | 5 |
| Operators | 4 | 4 | 8 | 8 | 8 |
| Packers | 4 | 4 | 7 | 8 | 8 |
| Cleaners | 5 | 5 | 5 | 5 | 5 |
| Security | 7 | 7 | 7 | 7 | 7 |

**Projected Total Compensation Package per annum**.

|  |  |
| --- | --- |
| Staff | Packages |
| Manager | 600,000 |
| Marketing Officer | 450,000 |
| Accountant | 400,000 |
| Operators | 300,000 |
| Packers | 220,000 |
| Cleaners | 130,000 |
| Security | 100,000 |

**Production Plan**

 After training, feeding and treating the fish for some weeks, they are introduced into the pond and left to breed and mature to table size which means that we will start the supply and distribution after a few weeks. After they are cut open to remove waste products and the viscera that can cause decay. They are packaged, ready for supply and distribution. With this distribution strategy, we will supply 12,000 packages daily using 4 shifts of 6hrs each with 1hr break.

**Organizational Plan**

 The form of ownership shall be private limited liability. It enhances the personality of the organization. A formal organizational structure demonstrating clear lines of communicating and reporting needs to be drawn up. This shall be accompanied by an account on the roles and responsibilities of each person in the team. At present, the project has a chairperson, accountants and managers. A recommended formal organizational structure and an account on roles and responsibilities have been provided in this business plan. The management will comprise of a democratically elected Board of Directors at the apex of the organization structure. 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.

**Risk Accessibility**

 In terms of the financial risk, this originates from the fact that the owners’ contribution is less compared to the funds required from potential investors. Hence, the gearing ratio is therefore not as desirable. To palliate this risk, the project members shall strive to reinvest at least 50% of the profits into the business so as to improve the gearing ratio. The project will strive for a good return on investment. In the first year of operation, employee costs will be minimized so as to ensure that this risk is minimized. SOUGHUL’S farm will have to compete for market share with these established businesses. To palliate this, the business will focus on a specific market segment and strive to understand the customers better than the competitors. This project will require skilled, knowledgeable and competent staff in significant areas such as business management, financial management, costing, entrepreneurship and technical aspects relating to raising layers and egg production management. It will be important for the owners, management and employees to be well trained. Moreover, a loss of key personnel is likely to affect the business adversely. To palliate this risk, the business will promote and cultivate a culture of sharing knowledge and skills amongst the members and employees. Another risk that might face SOUGHUL’S farms is an economic risk. On a global level, there is currently an economic recession (declining at present), as such the unemployment rate has gone up meaning that few people have buying power and the fact that consumers have tighter budgets as compared excellent financial years. The depreciating rand and naira is also a factor to consider as it also affects prices of procurement such as vaccines, medicines and imported feed supplies. This risk is external and out of the control of the business. There will be likelihood to implement energy saving measures such as the use of energy saving bulbs. SOUGHUL’S Fish farm will look into alternative energy sources such as solar power, wind mills and bio gas. The business will strive to not pass on the costs to consumers as it understands that affordability is one of the key success factors in the fish industry. There is a risk of outbreak of diseases that could adversely affect the products of the project. When fish is kept intensively, the risk of disease is very high for the mere reason that the fish are too close to each other. If proper vaccination programs are not followed the business could suffer major financial losses. It is important that a proper vaccination program is followed. The vaccination will minimize the threat of diseases. Personnel will ensure that the fish are monitored for diseases and that the chicken housing are kept clean and secure from other event risks.

**Financial Plan**

The company intends to raise an amount of approximately $750,000,000 of seed capital. $450,000,000 has already been committed by management.

**Current Capital Structure**

|  |  |
| --- | --- |
| **Shares Authorized** | **Shares Issued** |
| 20,000,000 common | 3,000,000 common |
| 2,000,000 preferred | 0 preferred |

 **Current Shareholders:**

|  |  |
| --- | --- |
| Soughul Msendoo | 500,000shares |
| Ogar Vivian | 500,000 shares |
| Adanu Adanu | 500,000 shares |
| Orobosa David | 500,000 shares |

For 750,000,000, the investing party will receive 750,000 preferred shares, or 33.3% of the company. Preferred shares will include senior debt and anti-dilution provisions as negotiated.

**Utilization of Proceeds:**

**Working capital**

The proceeds from the offer will be used to fund the working capital requirements of the company (and it’s subsidiary and associated companies, if any).

**Acquisition of assets**

Land & building, plant & machinery, and other fixed assets will be purchased as and when deemed necessary to maximize the profits of the company

Cash flows incidental to the normal business operations of the company.

Funds will be used for the purpose of business operations of the company.

The most likely exit afforded investors will be through acquisition. If the company's actual operational and financial results are in any reasonable range of the projected results herein, the company will become an attractive asset to an acquisitive competitor or larger medical device company. No particular competitor or company is thought to be more likely than another to be interested.

 Exceptional results would enhance the SOUGHUL brand name and financial position, making new product development and the likelihood of new product success more plausible. In this scenario, the opportunity to raise capital and provide an investment exit to shareholders becomes more likely.

### Projected Profit and Loss

Barring any unforeseen circumstances and circumstances beyond our control, SOUGHUL’S farm is anticipated to break-even by Year 3 of operations. Profits for the company in subsequent years will accelerate with the increase in anticipated sales volume.

###  Projected Cash Flow

It will be noted that the company's cash flow will be steadily declining for the first year of operations. This is expected due to large capital investments and initial slow sales. The company has calculated its financial plan so that it will have enough cash from investors and debt to survive until profitability reaches acceptable levels.