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18/MHS05/004

PHYSIOLOGY DEPARTMENT

AFE 202

FOOD SECURITY AND AGRICULTURE

NAME OF AGRICULTURAL ENTERPRISE

**ARELOEGBE, AGRO MAIZE FARMS INC.**

PLAN OUTLINE

1. Executive summary
    - Objectives
    - Mission
    - Keys to success
  2. Company summary
  3. Products
  4. Market Analysis summary
  5. Strategy and implementation summary
  6. Management summary
  7. Financial Plan
- Appendix

## Industry overview

Businesses in the maize farming industry primarily grow corn (except sweet corn) and produce corn seeds. Corn commonly refers to the grains of the tall annual cereal grass *Zea mays*, and it is a staple cereal in many parts of the world. In the United States, it's the most commonly used livestock feed. It is also used in the production of ethanol, sweeteners, oil and other related products.

But recently, you'll realise that the maize industry is experiencing decline and falling from historic heights. In the United States, new federal regulations created a significant new market for maize, leading maize production to skyrocket in the early part of the last five years.

This increase in production eventually led to an oversupply of crop, especially as downstream biofuel production has slowed since 2013 due to market saturation.

But now, the global demand for maize has renewed. The industry is expected to bounce back from the lows of the previous five-year period. Planted acreage will decrease, leading to a slight decrease in production volumes, which will in turn reduce oversupply and create healthy demand for the crop.

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 such as United States of America, Canada, United Kingdom, Germany, Brazil, Australia and Italy et al.

Statics has it that in the United States of America alone, there are about 141,669 licensed and registered maize farms responsible for employing about 155,526 employees and the industry rakes in a whopping sum of \$51 billion annually with an annual growth rate projected at -0.8%.

As a result, larger farms emerge across the industry. As a matter fact, with the recent advancement in technology, farmers can now comfortably grow crops such as maize in a country where such crops can hardly survive.

One thing is certain when it comes to commercial maize farming, if you are able to conduct your market research and feasibility studies before choosing a location to cultivate your maize, you are more likely not going to struggle to sell your maize because there are always food processing companies and consumers out there who are ready to buy from you.

Lastly, with commercial maize farming, it will pay you to not only cultivate maize and sell them for consumption in farm markets to retailers and consumers.

You can as well start a complementary business like building a maize processing plant to process and package your maize. The bottom line is that if you have

enough farm land (space) and you are interested in maximizing commercial maize farming, you are sure going to make huge profits from the business.

#### Executive summary

ARELOEGBE, AGRO MAIZE FARMS, INC. is a commercial farm that will be based in the outskirts of Dallas, U.S.A. We have done our detailed market 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 ARELOEGBE, AGRO Maize Farms, Inc. We will process and package maize and ensure that they flood the market both in the United States 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 U.S. economy, in national food production, raw materials production for industries, to export agriculture produce from the United States to other countries and over and above to make profit.

ARELOEGBE, AGRO Maize Farms, Inc. is well positioned to become one of the leading commercial maize farms in the United States of America, 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 United States of America.

ARELOEGBE, AGRO Maize Farms, Inc. is a family business that is owned by Mr.

Areloegbe Pierce and his immediate family members. The farm cum business will be fully and singly financed by Areloegbe Pierce and his immediate family members.

Before starting ARELOEGBE, AGRO Maize Farms, Inc., Areloegbe Pierce has worked with some of the leading commercial farms and food processing plants in the United States of America; he has a degree (B.Sc.) in Agricultural Science from the University of New Jersey.

### Our Services

ARELOEGBE, AGRO Maize Farms, Inc. is a world class commercial farm that is committed to cultivating organic and non – organic maize (corn) for both the United States' 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 the United States of America 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 the United States of America but also on the global stage.

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

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

### Our Business Structure

ARELOEGBE, AGRO Maize Farms, Inc. is a commercial maize farm that intends starting small in Dallas, but hopes to grow big in order to compete favourably with leading commercial maize farms in the commercial farming industry both in the

United States 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 Dallas.

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

In view of the above, ARELOEGBE, AGRO Maize Farms, Inc. 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
- Job Roles and Responsibilities
- Chief Operating Officer:

Increases management's effectiveness by recruiting, selecting, orienting, training, coaching, counselling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results; developing incentives; developing a climate for offering information and opinions; providing educational opportunities

Creating, communicating, and implementing the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy

Responsible for fixing prices and signing business deals

Responsible for providing direction for the business

Creating, communicating, and implementing the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy

Responsible for signing checks and documents on behalf of the company

Evaluates the success of the organization

General Farm Manager

Responsible for the planning, management and coordinating all farm activities across the various sections on behalf of the organization

Supervise other section managers (corn cultivation manager and corn processing and packaging manager)

Ensure compliance during project executions

Providing advice on the management of farming activities across all sections

Responsible for carrying out risk assessment

Using IT systems and software to keep track of people and progress of the growth of crops (maize)

Responsible for overseeing the accounting, costing and sale of farm produce after harvest

Represent the organization's interest at various stakeholders' meetings

Ensures that farming goals are achieved, the most efficient resources (manpower, equipment, tools and chemicals et al) are utilized and different interests involved are satisfied. Responsible for preparing financial reports, budgets, and financial statements for the organization

Responsible for overseeing the smooth running of HR and administrative tasks for the organization

Handles all financial transactions for the company

Defining job positions for recruitment and managing interviewing process

Carrying out staff induction for new team members

Responsible for training, evaluation and assessment of employees

Oversees the smooth running of the daily farming activities across the various farming sections

Administrator/Accountant

Responsible for overseeing the smooth running of HR and administrative tasks for the organization

Defining job positions for recruitment and managing interviewing process

Carrying out staff induction for new team members

Responsible for training, evaluation and assessment of employees

Responsible for preparing financial reports, budgets, and financial statements for the organization

Responsible for financial forecasting and risks analysis

Responsible for developing and managing financial systems and policies

Responsible for administering payrolls

Ensuring compliance with taxation legislation

Handles all financial transactions for the farm

Serves as internal auditor for the farm

Maize Cultivation Manager/Supervisor

Responsible for managing the maize cultivation section of the commercial maize farm

Supervises other workers within the department

Works closely with the General Manager to achieve the organizations' goals and objectives

Maize Processing and Packaging Manager/Supervisor

Responsible for managing the maize processing and packaging section of the commercial farm

Supervises other workers within the department

Works closely with the General Manager to achieve the organizations' goals and objectives

Sales and Marketing Officer

Identify, prioritize, and reach out to new partners, and business opportunities et al

Identifies development opportunities; follows up on development leads and contacts; participates in the structuring and financing of projects; assures the completion of relevant projects

Writing winning proposal documents, negotiate fees and rates in line with company policy

Responsible for handling business research, market surveys and feasibility studies for clients

Responsible for supervising implementation, advocate for customer's needs, and communicate with clients

Develop, execute and evaluate new plans for expanding increase sales

Document all customer contact and information

Represent the company in strategic meetings

Help increase sales and growth for the farm

Field Workers/Contract Staff

Responsible for preparing farm lands for maize cultivation

Responsible for watering the maize crop

Weeding or fertilizer and/or pest control application

Handle farm implements and machines as instructed by the section manager/supervisor

Assist in handling the harvest of maize (corns)

Carry out tasks in line with the stated job description

Assist in transporting working tools and equipment from the farm and back to the designated store room

Handles any other duties as assigned by the line manager

Client Service Executive/Front Desk Officer

Welcomes guests and clients to the farm by greeting them in person or on the telephone; answering or directing inquiries

Ensures that all contacts with clients (e-mail, walk-In centre, SMS or phone) provides the client with a personalized customer service experience of the highest level

Through interaction with clients on the phone, uses every opportunity to build client's interest in the company's products and services

Manages administrative duties assigned by the manager in an effective and timely manner

Consistently stays abreast of any new information on the company's products, promotional campaigns etc. to ensure accurate and helpful information is supplied



to clients

Receives parcels/documents for ARELOEGBE, AGRO Maize Farms, Inc.

Distribute mails in ARELOEGBE, AGRO Maize Farms, Inc.

Handles any other duties as assigned by the line manager

### **SWOT Analysis**

ARELOEGBE, AGRO Maize Farms, Inc. does not intend to launch out with trial and error hence the need to conduct a proper SWOT analysis. We know that if we get it right from the onset, we would have succeeded in creating the foundation that will help us build a standard maize farm that will favourably compete with leading commercial maize farms in the United States of America and in other parts of the world.

We are quite aware that there are several large, medium and small scale maize farms all over Dallas and even in the same place where we intend locating ours, which is why we are following the due process of establishing a business.

We know that if a proper SWOT analysis is conducted for our business, we will be able to position our business to maximize our strength, leverage on the opportunities that will be available to us, mitigate our risks and be equipped to confront our threats.

ARELOEGBE, AGRO Maize Farms, Inc. employed the services of an expert HR and Business Analyst with bias in the commercial farming industry to help us conduct a thorough SWOT analysis and to help us create a business model that will help us achieve our business goals and objectives.

Here is a summary from the result of the SWOT analysis that was conducted on behalf of ARELOEGBE, AGRO Maize Farms, Inc.;

#### **Strength:**

Our strength as a commercial maize farm is in the fact that we have healthy relationships with loads of major players (agriculture merchants who deal in corn) in the commercial farms industry; both suppliers and buyers within and outside of the United States.

We have some of the latest commercial farming machines, tools and corn processing equipment that will help us cultivate corn in commercial quantities with less stress. Aside from our relationship (network) and equipment, we can confidently

boast that we have some the most experienced hands in Dallas on our payroll.

#### Weakness:

Our weakness could be that we are a new commercial maize farm in the United States, and perhaps the fact that we decided to diversify our farming activities could count against us initially. We are aware of this and from our projection; we will overcome this weakness with time and turn it to a major advantage for the business.

#### Opportunities:

The opportunities that are available to us cannot be quantified; we know that there are loads of individuals who consume organic and non – organic corn in different forms both in the United States of America and other parts of the world.

We will ensure that we maximize the opportunities available to commercial maize farmers. Due to their rising popularity, GM seeds account for a significant amount of revenue and the demand for maize is anticipated to keep growing as renewable energy targets rise each year.

#### Threat:

Some of the threats and challenges that we are likely going to face when we start our own commercial maize farm are global economic downturn that can impact negatively on household spending, bad weather cum natural disasters (draughts, epidemics), unfavourable government policies and the arrival of a competitor (a commercial farm that cultivates same crop – maize) within same location.

There is hardly anything you can do as regards these threats and challenges other than to be optimistic that things will continue to work for your good.

## MARKET ANALYSIS

### Market Trends

One of the common trends in the commercial maize farming line of business is that most players in the industry are no longer concentrating only on non – organic maize farming. They now find it easier to run both organic maize cultivation and non – organic maize cultivation. It is fact that despite that organic food are expensive, the sale for organic food is on the increase and it is indeed profitable.

Despite the fact that commercial maize farming has been in existence since time immemorial, this does not in any way make the industry to be over saturated; commercial maize farmers are exploring new technology to continue to improve the cultivation, preservation and processing process. The fact that there is always a ready market for maize makes the business highly profitable.

Lastly, it is a common trend to find standard commercial maize farmers run a corn processing plant business alongside their farm. It is a means of maximizing profit in the business. Besides, maize is consumed by both human and livestock hence it is ideal to process, package and ship it to other countries of the world.

### Our Target Market

It is a known fact that the target markets of those who are the end consumers of maize in any form and who benefit from the business value chain of commercial maize farming is all encompassing.

Almost every household consumes maize in different forms. In essence a commercial maize farmer should be able to sell his or her farm produce to as many people as possible including hotels, grocery stores, restaurants, livestock farmers and production companies that make use of corn as raw materials.

We will ensure that we position our business to attract consumers of maize not just in the United States of America alone but also other parts of the world which is why we will be exporting some of our farm produce either in raw or processed form to other countries of the world.

### Our Competitive Advantage

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 the United States of America 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.

ARELOEGBE, AGRO Maize Farms, Inc. 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 the United States 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.

#### SALES AND MARKETING STRATEGY

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, ARELOEGBE, AGRO Maize Farms, Inc. 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)

Sources of Income

ARELOEGBE, AGRO Maize Farms, Inc. is in the commercial farming business for the purpose of maximizing profits hence we have decided to explore all the available opportunities within the industry to achieve our corporate goals and objectives.

In essence we are not going to rely only on the sale of our farm produce to generate income for the business. Below are the sources we intend exploring to generate income for ARELOEGBE, AGRO Maize Farms, Inc.;

Cultivation of various species of maize (organic and non – organic)

Standard Food Processing Plant

Sales Forecast

We conducted a thorough market survey and feasibility studies and we were able to discover that the sales generated by a commercial farm depends on the size of the farm and the nature of the commercial farm.

We have perfected our sales and marketing strategies and we are quite optimistic that we will meet or even surpass our set sales target of generating enough income/profits from the first year of operation and build the business from survival to sustainability.

We have been able to critically examine the agriculture industry cum commercial maize (corn) farm line of business, we have analyzed our chances in the industry and we have been able to come up with the following sales forecast.

First Fiscal Year-: \$200,000

Second Fiscal Year:- \$400,000

Third Fiscal Year:- \$750,000

N.B: This projection is done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown that can impact negatively on household spending, bad weather cum natural disasters (draughts, epidemics), and unfavourable government policies. Please note that the above projection might be lower and at the same time it might be higher.

### Our Pricing Strategy

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 ARELOEGBE, AGRO Maize Farms, Inc. 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 the United States of America.

Here are the payment options that ARELOEGBE, AGRO Maize Farms, Inc. 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.

### Publicity and 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 (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.