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A FEASIBILITY REPORT / BUSINESS PLAN FOR THE DEVELOPMENT OF A Feed and

Farm Supply business AT OZUOGA in RIVERS STATE ,PORT HARCOURT , NIGERIA BY

WISDOM AGRIBUSINESS VENTURES AND CONSULTANCY CONFIDENTIALITY

AGREEMENT

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:

Executive Summary

The following plan is based on 16 years of experience, is highly focused and promises to follow a path of prosperity for its owners and staff. It is based on conservative sales figures, and actual sales may be higher. The projections contained herein are authentic and will be used as the budget for the business. wisdom Feeds, Inc. will show a profit immediately, and will increase sales and profits each year thereafter.

Wisodm Feeds, Inc. is a well-established custom feed store. The company is engaged in the production of custom livestock feeds, bird feed, deer feed, and other animal products in relation to livestock animals, pets, etc. wisdom Feeds, Inc. is well-positioned to market its workroom production beyond any known present client base. The company is dedicated to providing the highest quality customer service, meeting the agreed delivery dates, and keeping the sales prices controlled in accordance with ongoing market trends. The focus of this business plan is to identify future target clients, explain our marketing strategy, improve internal procedures so we can substantially increase profitability, and obtain the funding required to expand the business. wisdom Feeds, Inc. is located in port harcourt, rivers state . The company is a privately owned corporation.

The five counties surrounding wisdom Feeds contain an estimated 14,695 livestock farms, and 20,434 hunters. However, the entire state is an open market once delivery to customers is an option. wisdom's would then be in the market to compete for the business of 53,315 farms. FMARD records show that a quarter of a billion NAIRA is spent annually on feed in rivers state by these same farms. The company's estimated existing share of the nearby market is less than 1%. To achieve these goals, wisdom feeds needs funding for two different phases of expansion. We are currently seeking a #5160000 naira short-term loan, to be repaid within two years. This loan will enable us to purchase a delivery truck, a key element of our new sales and marketing strategy. In early Year 2, we will need a second, long-term loan in the amount of #46440000 naira, to build the area's premier equine boarding stable. The addition of "Mid-Town Meadows" will not only be another source of revenue, but also another source of feed sales. Mid-Town Meadows will be a comfortable, inviting equine resort designed to make our customers and their horses feel as if they are enjoying VIP services in a world all to themselves. The decor and theme

will be rustic (log exterior walls), yet formal (private club house overlooking the enclosed arena). The feed store is already located at the main entrance, next to a cascading water fountain and company signs.

Sponsorship

Several proposals would be sent to several potential sponsors with respect to the business . each sponsor would had a little share of the company eventual total worth

Management Summary

The management will consist of the owners of the business who would receive daily reports from the managers/directors of other sub divisions of the company such as (delivery , sells , production , security , marketing ,orders accounting etc) . their primary objective is to oversee the activities of their respective factions and ensure the smooth running of these factions

wisdom Feeds, Inc. is presently made up of twenty employees. Who put in approximately 75 hours a week. As the new business takes effect and various marketing plans are implemented, the product volume will increase. There is sufficient room in the production mill to expand and produce more feed daily. It is planned that the two new owners will oversee the production and day to day business practices.

wisdom Feeds, Inc. is currently run and operated by persons in the mill and others in the store. In time, as we implement our marketing plan, we will need to hire in an additional person to assist in the mill, and possibly another person to assist in the store. We also could possibly need to hire a delivery person in the year 2005. When the business expands with new customers and larger feed orders, trusted persons will need to be on site to assist with inspecting the orders prior to delivery to ensure quality and accuracy of all orders. As growth evolves other family members may be of age to assist in the processes or employees may need to be placed. As we expand we will hire independent contractors. We believe this way would best suite a company our size. Instead of spending the amount of money required by law to actually hire an employee, we feel we would all benefit more from setting up our personnel in this aspect.

Technical assistance

The owners of the business has a working relationship with the farmers association of Nigerian, this has association has agreed to offer some kind of technical assistance for a discount in feed and farm supplies prices ./ the market union of nigeria has also agreed improve marketing situations towards the company products .the bank of agriculture agreed to offer a loan to the production department with the agreement of increased production rate and quality

Market and Sales

Market orientation: domestic; north & South East, Nigeria

Market Share: 10% niche market in north , South East Nigeria

Users of Products: Cattle Farms, 4-H Enrollments, Horse owners and Hunters in South East.

Competition analysis

Within the feed and farm supply industry, businesses compete on price, quality, customer service, and delivery. Customer service can include things like ability to produce a range of quantities, and custom-feed options. Customers must also trust the supplier for regular, reliable service and consistent quality, since sudden changes in feed can really disrupt their animals' digestion and health. ondo State produced 29% of the total national feed output between 2000 and 2015. Rivers State also with 27% of the total national output within the same time frame. abi, calaber, kano, legos and katsina produced 15% in that period . places where significant production took place in north, Nigeria was in jos. in ekiti State and anambara . Based on this above analysis, competition in terms of production in South, Nigeria is moderate Compare to the demand for produce.

Tariff and Import Restriction

zero duty on imported agricultural equipment will favour the project under consideration.

Market potential

wisdom Feeds is the only custom feed manufacturer in the port harcourt , ozuoba area and surrounding 50 mile radius. In the past, the market has been individual end users. Recent market analysis suggests that our custom feeds could be marketed to other direct feed stores outside of this 50 mile radius. With the economy of the south shifting gradually towards agriculture ,the business would be supported by the market

Profitability

power, man, environmental,chemical and physical factors such as temperature, diseases , varieties of seed, pests, thieves , price fluctuations and other risks e.g. could affect yield and profitability. However, technical, scientific and financial based solutions will be employed to hedge against risks and safeguard profit. option will be factored in to ensure more cycle of production in a year.

technical feasibility

The project is technically feasible. When it comes to the technological aspect , which involve the pelleting of the feeds into consumable sizes, the industrial processes are simple a quality control personnel is part of our team. The needed equipment/machines for mixing the ingredients industrially and pelleting them are readily available and our experts have hand on experience in the usage and maintenance of the equipment. On the material production, we have specialists in irrigation, farm management, crop production, harvesting and accounting as part of our management team. The environment of the company is suitable for the establishment of a farmand and production site for efective production, harvesting, packaging and marketing. Our processes are carried out with due consideration of safety, of not just the products but the personals too.

Government support and regulation

The project meets all government regulation for both national and international trade. And products have been tested and passed all NAFDAC regulations on food security and production. The project on the long run stands a chance of becoming a source of income for a sector of the nations economy this in turn will create various job opportunities for residents . The project will also benefit from the favorable policy of zero duty for agricultural and equipment import.

Project Timeline

The project would have a preparation timeline of 9months to a year. between January, 2020 to September , 2020 .

Estimated Project Costs and Revenue

Fixed cost

a) Site preparation

activity	qty	#	k
land clearing	10000 square metres	400	0
building factories		2 2000000	0
soild preperation	7000 square metres	300	0
land fertilization	10000 square metres	100	0
total	30000 square metres and two buildings	2000800	0

a) Equipment

<u>Name</u>	<u>qty</u>	<u>model</u>	<u>usd</u>	<u>#</u>	<u>K</u>
<u>Pellrtng machine</u>	<u>2</u>	<u>Er-334</u>	<u>17441</u>	<u>6000000</u>	
<u>Tractors</u>	<u>1</u>	<u>Ie-29937u84</u>	<u>23255.8</u>	<u>8000000</u>	
<u>Seeder</u>	<u>1</u>	<u>Is-101o9</u>	<u>5813.9</u>	<u>2000000</u>	
<u>Cement mixer</u>	<u>3</u>	<u>Ws-7483</u>	<u>1453</u>	<u>500000</u>	
<u>Fertilizer</u>	<u>5</u>	<u>mm-23u4</u>	<u>1453</u>	<u>500000</u>	

c)vihecle

<u>Type</u>	<u>Model</u>	<u>QTY</u>	<u>₦</u>	<u>K</u>
Pick up Truck	HILUX	2	30,000,000	: 00

d) Irrigation

<u>Type</u>	<u>QTY</u>	<u>Model</u>	<u>USD</u>	<u>₦</u>	<u>K</u>
Hose Reel	1	140 – 440MT	28,186	1,0146,960	: 00

E) cost operations

Operating costs are the expenses which are related to the operation of a business, or to the operation of a device an organization just to maintain its existence. such as

Ploughing/Ha	15,000
Harrowing/Ha	10,000
Sub total	25,000
For 400 Ha	10,000,000
Mechanization and storage	105,000
For 400Ha	42,000,000
Input / Ha	91,825
For 400Ha	36,730,000
Area yield insurance	13,500
Produce aggregation	5,500
Geo Spatial Service	4,500
Sub total	23,500
For 400Ha	9,400,000
Interest per hectare	22,079
For 400Ha	8,831,700
Total cost per hectare	245,325
Total cost for 400Ha	98,130,000
Loan principal and interest (cost per Hectare)	267,404
Total for 400Ha	106,961,700
Irrigation cost for 400Ha (excluding fixed cost)	24,018,120

Revenue

<u>Yield per hectare 3tonnes@ ₦145000 per tonne</u>	
<u>Revenue per hectare</u>	<u>500000</u>
<u>For 400Ha</u>	<u>2000000</u>
<u>Net revenue for 400Ha(without amortization)</u>	<u>20000000</u>
<u>Net revenue with amortization(400ha clearing)</u>	<u>1000000</u>
<u>2nd Production Cycle</u>	
<u>Net revenue</u>	<u>50000000</u>
<u>Net revenue with amortization(400ha land)</u>	
<u>Annual Net Revenue (1st + 2nd Cycle)</u>	<u>70000000</u>

Funding mechanism

All properties and materials will be provided by the owners of the business .the funding will be done with the addition of sponsors ,investors and owners capital

Conclusion

The company deals with production of feed from self grown organic material and crops ,it also deals with farm product .The project is technically feasible and commercially viable. It is therefore recommended for funding.