

NAME; YUSUF JEMIMAH SULE

MATRIC NO; 18/MHS02/198

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 yam plantation and the establishment of yam 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 yam in a production cycle there are high demand for these product because of the lockdown, our huge population, production is currently popular in lagos, kano, Imo , Abuja and Anambra state in Nigeria imports large amount of cassava. The project will create market access improve income of farmers, reduce the large importation of foreign yam 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 cooperavtive 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 yam determines nutrition in human, cooking and sensory quality of banana.

TECHNICAL FEASIBILITY

The project (production of yam and yam is technically feasible). The supply gap for good quality yam creates a significant business opportunity for milling and this report explains the viability of setting up of a 1000tones capacity yam in lagos state. Yam cultivation is largely by small farmers. Nigeria is west Africa largest producer and consumer of yam, producing an average of 3.2million tons of yam for over 5yrs. However local demand for yam 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
2 nd Production Cycle		
Net revenue	60,250,180	:
	00	
Net revenue with amortization(400ha land)		
Annual Net Revenue (1 st + 2 nd 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.