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AFE202

BUSINESS PLAN FOR THE DEVELOPMENT OF A LIVESTOCK FARM

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

Signature:

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Date

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**Project Description**

This business examines the feasibility of indeed economic viability of development of a 2000hectares of land in Ekiti state by daniel’s farm.The farm will produce about 350cows, 120 goats, and over 500 broilers and layers poultry birds . Over 1000 eggs will be processed, and beef would be gotten and used to make kilishi which would be transported for sale Production is currently popular in Northern states South and also porpularly done by the hausas

**Sponsorship**

The project is sponsored by Farmsponsor in portharcourt. Farmsponsor is an agric-tech company with the mandate to promote food security in Africa, sponsors receive a 15% return at the end of each farming cycle sponsored within a duration of 12 weeks.

**Management**

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 livestock farmers of proven integrity and vast experience in the project area. The prime objective of 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.

**Technical Assistance**

The farm has a relationship with Beefcor in south africa. Beefcor farms has mandate in poultry, pigs, cows, and ram. So they have agreed to give me full support in this business i want to venture in.

**Market sales**

Market orientation: All over Africa

Market share :5% niche market in South West, South South Nigeria

Users of Products:

**Competition analysis**

The only places where this particular farming takes place is in the north. And it is mostly practised by the fulani people. Taraba, Plateau, Kano, Niger and katsina produced more of livestocks last year. The seven state mentioned above produced 94% of national output.

**Tariff and import restriction**

Forex restriction on livestocks animal importation and zero duty on imported livestock farming equipment will Favour the project under consideration

**Market potential**

There is a strong demand for eggs, beef and poultry all over Nigeria. The state infrastructure though not perfect still supports production and trade within Nigeria.

**Profitability**

Weather, biological, chemical, physical and environmental factors such as temperature, sunlight, water, air, soil conditions, pests, diseases, price fluctuations and other risks e.g. snakes invading the poultry farm could affect yield and profitability. However, technical, scientific and financial based solutions will be employed to hedge against risks and safeguard profit.

**Technical Feasibility**

The major activities considered with this technical survey are:

• farm location

• farm capacity

•Process design

• Equipment layout

• Utilities

• Animal building and surroundings

**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 livestock farm 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 4months preferably between June, 2020 to August 2020.

**Estimated project costs and Revenue**

**Fixed cost**

1. **Land clearing**

|  |  |  |  |
| --- | --- | --- | --- |
| Activity  | QTY | ₦ | K |
| Land clearing  | 1 Hectare  | 300,000 | 00 |
| Cross cutting  | 1 Hectare  | 17,000 | 00 |
| Rome ploughing  | 1 Hectare  | 30,000 | 00 |
| Sub total | 1 Hectare  | 347,000 | 00 |
| Total | 400hectre | 138,800,000 |  |

1. **Equipment**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Name | QTY | MODEL | USD | ₦ | K |
| Tractor  | 1  | YTO-949(90hp) | 1,300 | 468,000 | 00 |
| Weighing balance | 2 | 2BFY-5C | 270 | 97,200 | 00 |
| Chaff cutter  | 7 |  | 300 | 108,000 | 00 |
| Head gate | 10 | Model91 | 4,270 | 1,537,200 | 00 |
| Manure spreader  | 2 | TSW5210 | 24,000 | 8,640,000 | 00 |
| Feed mixer | 3 | ISO9001 | 13,418 | 4,830,480 | **00** |
| Sub total |  |  | 43,558 | 15,678,000 |  |

1. **Vehicle**

**TYPE Model. QTY**

**₦**

|  |  |  |  |
| --- | --- | --- | --- |
| Pick up truck  | HILUX | 2 | 30,000,000:00 |

**Operating cost**

|  |  |  |
| --- | --- | --- |
| **Working capital**  |  |  |
|  | **₦** | **K** |
| Power electricity  | 150,000 | 00 |
| Sub total | 150,000 | 00 |
| Mechanization and storage | 120,000 | 00 |
| Input | 87500 | 00 |
|  |  |  |
| Area yield insurance  | 14700 | 00 |
| Produce aggregation  | 7500 | 00 |
| Geo spatial service  | 5000 | 00 |
| Sub total | 27200 | 00 |
| **For 400Ha**  | 8,831,700 | 00 |
| Total cost per hectare | 245,325 | 00 |
| Total cost for 400Ha | 981,130,000 | 00 |
| Loan principal and interest (cost per hectare) | 267,404 | 25 |
| **Total for 400Ha**  | **106,961,700** | **00** |
| **Irrigation cost for 400Ha (excluding fixed cost)** | **24,018,120** | **00** |

**Amortization**

 **₦. K**

|  |  |
| --- | --- |
| Land clearing amortization (400sqm) | 300. : 00 |

**Revenue**

|  |  |
| --- | --- |
| Yield per hectare 3 tones@**₦**145000 per tonne |  |
|  | **₦** | **K** |
| Revenue per hectare  | 435,000 | 00 |
| For 400Ha | 174,000,00 | 00 |
| Net revenue for 400Ha(without amortization  | 67,038,300 | 00 |
| Net revenue with amortization  | 55,038,300 | 00 |
| 2nd production  |  |  |
| Net revenue  | 43,020,180 | 00 |
| Net revenue with amortization  |  |  |
| Annual net revenue  | 98,058,480 | 00 |

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

**Funding Mechanism**

Daniel will provide 400Ha of cleared farmland around the farm and lease it to members of the cooperative. will also lease 6,000MT capacity silo as equity contribution

Equity investor to provide equity for equipment and vehicles purchase

Where possible equity investor to provide equity for working capital or otherwise secure loan at the rate of 9% through government intervention window at the Bank of Agriculture, Bank of Industry and Commercial banks.

**Conclusion**

The project explain above is higly possible to do conviniently with the right amount of capital available and it is also a project that seems to have high income if the business is being handled with good seriousness.