

AGRICULTURAL BUSINESS PLAN

DEPARTMENT:INTERNATIONAL RELATIONS AND DIPLOMACY

AFE BABALOLA UNIVERSITY ADO-EKITI (ABUAD)

NAME:EHİ-SULAIMAN DAVID OSE

MATRIC NUMBER:18/SMS09/036

INTRODUCTION:

EXECUTIVE SUMMARY:

Botanical Bounty is a farm production dedicated to the production of botanical perennials .i.e. a crop lasting for an infinite time. Botanical bounty has been formed as an Oregon-based Limited Liability Crop (L.L.C) located outside of Albany. Botanical bounty is working hard to become one of the leading producers of botanical plants for the natural supplement industry as well as plant more nurseries. However, by leveraging a well thought out business plan executed by a skilled management team, botanical bounty will generate over hundred thousand dollars in three year sales.

KEYS TO SUCCESS:

Botanical bounty has been able to identify three major keys that will be very instrumental in their success. The first is the implementation of strict financial controls. By having the proper controls, production efficiency will be maximized. Secondly, it is the will to never be ending pursuit for the industry's highest concentration levels of botanical ingredients in each plant. Thirdly, the last key is the implementation and recognition of the philosophy that 100% customer satisfaction is

required to ensure a profitable business. Profits are a byproduct of satisfying customers, not the other way round.

PRODUCTS:

Botanical bounty is a farm of about 10 acres that concentrates on the growing of botanical medicinal. Botanical bounty has Chosen about five different plant species that have significant market demand as wellbeing and well suited for growth. Botanical bounty will plant crops such as: Echinacea – an immune system booster; Ginseng- a source of energy, St John's Wort- for mild depression, Skullcap- which is for inflammation and lastly will be Ginger- a stomach soother.

MARKET

The botanical bounty would have three distinct customers which are; supplement companies, the processors of botanicals for supplement companies, and nurseries that resell the plants. The first customers purchase the plants for use in their products which they ultimately sell to the end customer. The market for natural supplements is quite exciting, survey has shown that an estimated number of over 158million customers use dietary supplements. And an estimated of 115.3 million customers buy vitamins and minerals for themselves, and 55.8 million purchase them for other members of their family, including children. Consumer surveys consistently find that nearly half of all buyers use mostly herbs and a statistic show that it is remarkable when we realize that today's herbal products industry is over a quarter century old.

SUPPLEMENT COMPANIES:

The customer group manufactures botanical supplements for their own label products. The companies purchase the plants and extract the active ingredients and transform them into sellable

products for their own brand. There are a handful of large companies that operate in this market space.

PROCESSORS:

These customers purchase the plants, extract the botanicals to the end producers or they themselves produce the supplement and sell the final product to other companies. These companies are one layer within the manufacturing system and do not sell to the end customer. They act as supplier for the retail brand. The customer group purchases the plants which they in turn sell at retail to the individual end customer. The typical customer is a health conscious individual who is interested in either extracting or growing the plant immediately or growing the plant in their own garden or future use.

MANAGEMENT TEAM:

The management team should consist of people who have experience in business and should have a good experience on wealth knowledge

FINANCIAL PLAN:

For the company to finance their growth and fulltime production, they need to purchase new equipment that would last really long.

OBJECTIVES:

The botanical bounty has been able to identify several objectives for their business:

1. To become a leading supplier of botanical perennials for the health/vitamin industry.
2. Reach the point of sustainable profitability
3. Enjoy work while making a good living as well

MISSION:It is their mission to become the leading provider of botanical perennials to the health/vitamin industry. Which will be accomplished by providing quality plants at fair prices while exceeding customer's expectations.The company would adhere to some success keys that will be essential and instrumental in its success:The never ending pursuit of the highest concentration of botanicals in every plant

1. Strict financial controls
2. Ensuring that all consumers' needs are met and they are satisfied with the purchased products.

PRODUCTS:

The company offers a range of botanical perennials (plants where the root structure remains, allowing the plant to regrow every year). Botanical perennials were chosen for two main reasons. The first was because of its medicinal value, therefore the plants have a positive contribution to the society by improving the people's health. The second reason is that the market for medicinal herbs is a very strong industry with excellent growth, ensuring demand for their plants.

ECHINACEA

It was used extensively by Natives and also the early settlers adopted its use. It has been used for years in alternative medicine to support the immune system, and to purify the blood especially during season change and during the cold and flu season. Scientific studies have also confirmed the presence of natural chemicals, echinacosides, which increase white blood activity.

GINSENG:

Ginseng is a plant that stimulates and increases endocrine activity in the body. Promotes a mild increase in the metabolic activity and relaxes heart and artery movements. Stimulates the medulla centers and relaxes the central nervous system.

SKULLCAP:

This plant is a powerful medicinal herb, it is used as an alternative medicine as an anti-inflammatory, abortifacient, antispasmodic, slightly astringent, sedative and strongly tonic. Some valuable constituents found in the plant are scutellarin, catalpol, other volatile oils, bitter iridoids and tannis. Scientific studies are proving this to be a valuable plant in many areas for mental disorder. Skullcap is used in the treatment of a wide range of nervous conditions including epilepsy, insomnia, hysteria, etc. .

GINGER:

Ginger roots and dried herb are medicinal and edible, it has spicy, hot, crispy, taste and can be eaten fresh in small quantities in salads, used as a relish, a condiment, or made into a sauce for meat, especially good on chicken, or used to make ginger candy. Widely used as an alternative medicine ginger contains the valuable constituent aristolochic acid, scientific also shows that it has anti-inflammatory, antiviral, antitumor activity, cures warts in some cases and is a broad –spectrum antibacterial and antifungal.

The company sells excellent perennials in plant form for the botanicals to be extracted by their customers. They concentrate on producing the healthiest plants which have the highest concentration of active botanicals.

TARGET MARKET SEGMENTARY STRATEGY:

The company has chosen three market segments based on the consistent demand for botanical extracts. While there are other potential customers, they are smaller, less consistent in terms of demand, and more difficult to reach. The supplement companies, processors, and to a smaller degree the nurseries are attractive customers due to their consistent demand and typical long-term contract needs. There is a significant value to these customers for a grower to consistently offer the same high level of active botanicals in each plant and to be able to meet the needs of large volume, long duration contracts.

INDUSTRY ANALYSIS:

The company is concentrating on growing market typically in several regions around the world. Approximately 23% of botanical growth to occur overseas is typically based on the type of herb and its ability to grow better in the respective region.

- **COMPETITION AND BUYING PATTERNS**

Competition takes two forms, farms similar in size and production capacity to the company and mega farms. The similarly sized farms range in size from 5-30 acres. The number of different herbs grown is based on owner preference as well as location and ability of the local growing conditions to support the different plants.

On the other end of the spectrum is the mega farm. These farms have a similar range of species cultivated, however they differ greatly in production capacity. These farms are huge, typically not less than 100 acres, peaking 300 acres. The buying patterns of the different customers are typically based on these variables:

1. Price
2. Availability

3. Ability to deliver consistently on long-term contracts
4. Significant % of active ingredients

5. STRATEGY AND IMPLEMENTATION SUMMARY

The company will leverage their competitive edge in order to gain significant market share. Their competitive edge is their ability to consistently produce plants with high active botanical percentage as well as a high ratio of healthy plants (sellable)

The marketing strategy will have the objective of raising awareness and visibility of their industry-leading percentages of active botanicals. The strategy will communicate the fact that the company plants will yield a significantly higher amount of botanicals measured per plant.

The sales strategy, in addition to reinforcing the competitive edge, will seek to qualify leads by concentrating on the company's ability to perform reliably on long-term contracts, becoming a stable supplier to the larger companies that need a strategy supply stream.

COMPETITIVE EDGE

The company has a dual competitive edge:

HEALTHY PLANS:

The healthier the plant, the faster it will grow, the more botanicals that can be extracted from it. This means that can be extracted from it. This means an increase in production efficiency due to a larger percentage of plants that are sellable. Other characteristics of

healthy plants which are important on the production side is: lower pest counts, more established root structures, and high biomass.

MARKETING STRATEGY

The marketing strategy will be based on generating awareness and visibility of the company and their ability to produce the highest percentages of botanicals. The strategy will rely on several different forms of communication. The main form is participation in the numerous trade shows for the industry. The trade shows are where everyone from the industry gathers to meet and transact business. It is a wonderful place to network as well as learn about new development in the industry. The second form of communication will be the use of advertisements. The main venues for advertisements will be industry trade magazines. The trade magazines are a well-read source of information that buyers and sellers refer to for many different transactions.

SALES STRATEGY:

The company's sales efforts will focus on identifying qualified leads and turning them into paying customers. The main sales effort that the company will undertake is the reinforcement of the fact that the company's plants have the industry's highest percentage of botanicals. This will be quite appealing to the buyers as this is exactly what they want, more botanicals per plant. In addition to selling the buyers on the company's farm products competitive edge of potent plants, there will be an emphasis on the company's ability to perform long-term contracts.