NAME: OBIEKWE OBINNA PRINCEWELL

MATRIC NO: 18/LAW01/159

COURSE: FOOD PRODUCTION AND HEALTH AWARENESS

**Question**

Prepare a business plan on a chosen agricultural enterprise following the guidance in the note.

**Answer**

**Feasibility Study and Report Writing.**

 A feasibility study is an analysis of the viability of a business idea. It is an investigation of a project to validate the viability of the report by examining it through the technical, economic, commercial, financial and environmental impact lens. It focuses on the rationality or otherwise of the investment required to execute the project.

With this in mind, we head to the business plan at hand;

**A Business plan for the development of a for a mixed livestock production and establishment of five hectares of land for livestock production and establishment of 3,200 gallons of milk a day (cow) and 3,000 pounds of wool (sheep) annually at OBIEKWE&CO farms, Anambra, Nigeria by Maverick business ventures and consultancy confidentiality agreement.**

**Livestock Farming**

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:

Date:

**Contents of the Feasibility Report**

* Executive Summary/ Brief Description of the Project
* Sponsorship, Management and Technical Assistance
* Market and Sales
* Technical Feasibility, Resources and Environment
* Government Support and Regulation
* Timelines of Projects
* Estimated Project Cost and Revenue
* Funding Mechanism
* Conclusion

**Executive Summary/ Project Description:**

This business plan examines the feasibility of and indeed economic viability of the development of five hectares of land for livestock production and establishment of 3,200 gallons of milk a day (cow) and 3,000 pounds of wool (sheep) annually at OBIEKWE&CO farms, Anambra, Nigeria. The Wool extraction will process about 3,000 pounds into usable products such as clothes, beddings, insulators, home décor etc. There is high domestic demand for these products because of our huge population and production constraints leading to shortage of the commodity. Production is currently popular in the Northern and South Western which include Kano, Kaduna, Oyo, Ondo, Kwara, Katsina, Jigawa, Ogun, Kebbi, Sokoto and Zamfara state.

The proposed project will create economic opportunities, impact positively on the people and help conserve scarce foreign exchange. The entire groundnut to be processed will be sourced locally through direct production, contract farming in Anambra State and direct purchase from smallholder farmers in other production areas. The project will create market access, improve income of farmers and contribute significantly to food security. It will also generate satisfactory returns for sponsors and investors.

**Sponsorship:**

The project is sponsored by Obiekwe Obinna Prince-well an educationist and founder of Shop Positive. Obiekwe Obinna is promoting the productivity of smallholder farmers in Nnewi, Anambra through the OBIEKWE&CO farms enterprise. The enterprise has experts with many years of experience in the project being proposed. Maverick business Ventures & Consultancy will be responsible for the management consultancy of the projects.

**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 agribusiness professionals 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. The Managing Director/President shall be responsible for the co-ordination of the day to 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 Assistance:**

This enterprise has working relationship with NAPRI (National Animal Production Research Institute). NAPRI has mandate in livestock production and processing and will provide technical assistance in this regard. The enterprise also has a working relationship with BOA (Bank of Agriculture) and we are collaborating on Obiekwe Annual Agricultural Expo where the founder appreciates indigenous farmers through monetary award to the best farmers in each local government area of the 21 Local Government Area in Anambra State and the overall best farmer in the state. Bank of Agriculture has agreed to finance production of the five hectares of land for livestock production through a loan at 9% interest rate (anchor borrower’s scheme) given to the cooperative. The enterprise will fund the processing factory and access finance for the sheep shearing extraction equipment from BOI (Bank of Industry) at the rate of 9%. The enterprise has a working relationship with the current Anambra state government, Partners for Food Security (PFS), Agriculture Cooperatives and individual farmers. The enterprise will get technical support from this relationship in the area of production through contract farming or out grower scheme.

**Market Sales:**

Market orientation: domestic; South West & South East, Nigeria

Market Share: 5% niche market in South West, South East Nigeria

Users of Products: Tailors, Engineers, Textile designers, as for milk production; edible to humans, major focus being Dano Milk LTD as highest buyer.

**Competition Analysis:**

Kano State alone produced 44% of national output between 1999 and 2017. Kaduna State followed with 27% of national output within the period. The remaining produced 6% and below in the period. The state mentioned above produced 94% of national output within the period. The only places where significant production took place in South West, Osun. Based on this above analysis, competition in terms of production in South West.

**Tariff and Import Restriction:**

The Forex restriction on wool and milk importation and zero duty on imported agricultural equipment will favor the project under consideration by a meter.

**Market Potential:**

There is strong demand for milk and wool derivatives in both Southern and Northern parts of Nigeria. The state of infrastructure though not perfect still supports production and trade within Nigeria and at a probable rate, outside the country too.

**Profitability:**

All biotic and abiotic factors responsible for either the making or marring of the profit rates of the animals is in our favor given that we have the best veterinarians located in Anambra to handle issues with haste. There is also stable and clean water and food supply.

**Technical Feasibility:**

The projects are technically feasible. In terms of technology and labour, which involve the shearing of wool and milking of cows, the industrial processes are simple and a specialist in shearing of wool with more than 10years experience is part of our team. The needed equipment for wool shearing and cow milking are readily available and our experts have hand on experience in the usage and maintenance of the equipment.

**Government Support and Regulation:**

The project conforms 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 favorable policy of zero duty for agricultural and equipment import. Restriction of forex for all food 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 2 years because a lot of time would be needed for the cows and herds of sheep we have to fully mature for mass production. Hence, roughly by May 2022, we would be ready for a full blown sale.

* **Estimated Project Costs and Revenue**

**Output and Cost incurred on livestock keeping on large scale farm per annum.**

|  |  |  |  |
| --- | --- | --- | --- |
| **OUTPUT** | **QTY** | **₦** | **K** |
| Milk | 3,000 Gallons | 10.8M | 00 |
| Young Stock (Meat) | 250 Calves | 25M | 00 |
| Wool | 3,200 Pounds | 5.76M | 00 |
| Manure (Fertilizer) | 4,000 Bags | 500K | **00** |
| **Gross Income** |  | **42,060,000** | **00** |

|  |  |  |  |
| --- | --- | --- | --- |
| **COSTS PER ANNUM** | **QTY**  | **N** | **K** |
| Green Fodder | 2,000 | 2M | 00 |
| Dry Fodder | 2,000 | 1M | 00 |
| Concentrate/Supplement  | 1,000 | 1M | 00 |
| Vet & Medicine | - | 50K | 00 |
| Labor | 200 | 5M | 00 |
| **Total Costs**  |  | 9.05M | 00 |

**Funding Mechanism**

Obiekwe Obinna.P. will provide 5Ha of gradable land and lease it to members of the cooperative. 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.

**In Conclusion:** The project is technically feasible, commercially viable and highly profitable. It is therefore recommended for funding. In the long run, it can improve economic welfare and exportation if carefully analysed.