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Matric no: 18/sms02/031

Department: Accounting

Course: Afe 202

Food Production

Prepare a business plan on a chosen agricultural enterprise with a minimum of 5 pages, times new roman, size 12 with a double line spacing.

**JODAKE FARMERS ENTERPRISE**

**Executive summary**

This business plan examines the feasibility of and indeed economic viability of the development of a 500hectares beans plantation. The beans plantation will produce about 12,350 bags of beans in a production cycle. There is high domestic demand for beans as it is the third most consumed food in Nigeria. The most common place for beans production is Niger state.

The proposed project will provide economic opportunities and will have a great positive impact. This 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 Jodake Farmers Enterprise. JOD association of farmers would be responsible for the management consultancy of the project.

**Management**

This will be made up of shareholders and members 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 politics that will ensure long term success of the organization. The board will ensure that the organization will comply with all standards set by the regulatory authorities.

The managing director will be responsible for the day to day management of the cooperative business. He will be 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.

**Project Description** The main business is to engage in beans farming for sales and distribution.

**Project Environment**

This project is located at Alagada village in ogun state, Nigeria where the soil is slightly acidic and conducive for beans farming.

**Project Location**

This project is located at Ogun state, Nigeria alagada village near oba in obafemi owode Local council Area of the state.

**Project Background**

The cooperative is already in the business of beans farming some years back and the cooperative has well trained members to manage the farm well, therefore we have good ideas of the business. This is to upgrade the production of beans in the state.

**Competitors**

In Nigeria, there is a high demand for beans and Niger is the top region of production for beans making it our highest competitors. Other beans producing states are Benue, kaduna, Kebbi, Kwara, etc.

**Marketing Strategy**

The product will be marketed through different outlets and distributed between different states and also to the neighboring markets in alagada, ondo state.

**Profitability**

Weather, biological, chemical, physical and environmental factors such as temperature, sunlight, water, air, soil conditions, varieties of seed, pests, diseases, price fluctuations and other risks e.g. vow invading the farm could affect yield and profitability. However, technical, scientific and financial based solutions will be employed to hedge against risks and safeguard profit. Irrigation option will be factored in to ensure two cycle of production in a year.

**Project Timeline**

The project will be completed within 6 months preferably between November, 2020 to April 2021 because land clearing is mostly done in dry season.

**Estimated Project Costs and Revenue**

(A)**Land Clearing**

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity** | **QTY** | **N** | **K** |
| Land Clearing | 1.5 hectare | 300,000 | 00 |
| Cross cutting | 1.5 hectare | 50,000 | 00 |
| Rome Ploughing | 1 hectare | 70,000 | 00 |
| Sub total | 1 hectare | 420,000 | 00 |
| Total | 500 hectares | 210,000,000 | 00 |

(B)**Equipment**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name** | **QTY** | **MODEL** | **USD** | **N** | **K** |
| Tractor | 1 | YTO-904(90hp) | 26,220 | 10,212,690 | 00 |
| Disc harrow | 1 | IBJ-2.0 | 3,450 | 1,343,775 | 00 |
| Sub soiler | 1 | IS-300G | 5,200 | 2,025,400 | 00 |
| Tripper | 1 | 6CX-8T | 10,100 | 3,933,950 | 00 |
| Harvester Combine | 1 | 5YZ-7 | 105,200 | 40,975,400 | 00 |
| Boom sprayer | 1 | 3W-1000L-18 | 5,500 | 2,142,250 | 00 |
| Front loader | 1 | TZ10D | 6,550 | 2,551,225 | 00 |
| **Sub total** |  |  | **162,220** | **63,184,690** | **00** |

(C) **Vehicle** **Type**

**N** **K** **QTY**

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

**Operating Cost**

|  |  |  |
| --- | --- | --- |
| **Working Capital** |  |  |
|  | **N** | **K** |
| Ploughing/Ha | 20,000 | 00 |
| Harrowing/Ha | 11,000 | 00 |
| Subtotal | 31,000 | 00 |
| **For500Ha** | **12,000,000** | **00** |
| Mechanization and storage | 107,000 | 00 |
| **For 500Ha** | **47,000,000** | **00** |
| Input/Ha | 90,800 | 00 |
| **For 500Ha** | **37,620,000** | **00** |
| Area yield insurance | 14,200 | 00 |
| Produce aggregation | 5,200 | 00 |
| Geo Spatial Service | 3,500 | 00 |
| Sub total | 22,900 | 00 |
| **For 500Ha** | **10,200,000** | **00** |
| Interest per hectare | 21,800 | 25 |
| **For 500Ha** | **8,720,500** | **00** |
| Total cost per hectare | 255,300 | 00 |
| **Total cost for 500Ha** | **98,500,000** | **00** |
| Loan principal and interest (cost per Hectare) | 256,404 | 25 |
| **Total for 500Ha** | **115,570,000** | **00** |
| **Irrigation cost for 500Ha (excluding fixed cost)** | **25,010,150** | **00** |

**Amortization**

**N K**

|  |  |
| --- | --- |
| **Land clearing amortization (per hectare)** | **30,000 : 00** |
| **Land clearing amortization(400hectare)** | **12,000,000 : 00** |

**REVENUE**

|  |  |
| --- | --- |
| **Yield per hectare 3tonnes@ N 145000 per tonne** |  |
|  | **N K** |
| **Revenue per hectare** | **451,000 : 00** |
| **For 500Ha** | **176,000,000 : 00** |
| **Net revenue for 500Ha(without amortization)** | **67,058,500 : 00** |
| **Net revenue with amortization(500Ha clearing)** | **56,088,600 : 00** |
| **2nd Production Cycle** |  |
| **Net revenue** | **45,031,150 : 00** |
| **Net revenue with amortization (500Ha land)** |  |
| **Annual Net Revenue(1st +2nd Cycle)** | **344,629,250 : 00** |

**Conclusion**

The project is technically feasible and commercially viable. It is therefore recommended for funding. 56 csqdvsc

Chickens raised for eggs are known as layers, while chickens raised for meat are called broilers

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