

BUSINESS PLAN FOR AN AFRICAN PLANTAIN PLANTATION OF 150 HECTARES AND A PLANTAIN CHIPS MACHINE OF 1MT PER HOUR CAPACITY AT EKET, AKWA IBOM STATE, NIGERIA BY FAWILUK INDUSTIRES.

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EXECUTIVE SUMMARY OF BUSINESS PLAN

As the need for plantain grows in the country, the value of high-quality plantain increases every day. Due to its high productivity it offers a far greater yield at a lower cost of production. This business plan will help to analyse how implementable the idea of setting up a plantain plantation is.

The farm will have 130 palm trees per hectare and will be able to produce 500bags of plantain chips

per harvest. Although there is no huge local demand for plantain and its products, This project will also be able to generate more economic opportunities as well as employment chances for people living in EKET. This will also help in reducing the amount of palm oil imported into Nigeria and conserve our scarce foreign exchange. Labour costs in this region are relatively low so this will help reduce expenses in hiring workers and increase profits. Prices of our products can be significantly dropped and this will deepen our footprint in the Plantain market.

SPONSORSHIP

This proposed oil palm production is sponsored by *EXXON MOBILE* which has its plant also located here in EKET.

MANAGEMENT SCHEME

Although the executives/Managing Directors of this Agro-based business will solely be the Board of directors of *MOBILE*, the management team will include the agricultural expertise. They will be responsible for timely decision making based on the growth and development of the business.

New strategies will also be implemented by this group of people after prior consultation from The Board of Directors to keep up with the demands of the market regarding the production of Plantain chips. Both the short term bloom and long term success of this carefully and strategically planned and implemented business idea depends fully on the actions and activities of this set of individuals. Palm oil processing experts will be responsible for the day to day running of the milling machine and Engineers will be on stand by and ready for any malfunctions of any of processes involved in the plant. The overall plant manager will put down various modules and set day-to-day targets to be met by the industry as a whole. One of the main targets will certainly be maximizing the working conditions to produce as much plantain chips as possible per day, maybe even attaining the full capacity of the machine to make as much money a day as possible. There will also be a storage manager as well as a transport manager to help control storage and transportation of the plantain.

TECHNICAL ASSISTANCE

Relationships between other companies on a business basis can be the difference between profit and loss. MOBILE was the best choice of sponsors due to its wide communication links between wide varieties of companies. This helps in attracting competent technical assistance from other firms. They give quality assistance on processing techniques and other important strategic advice. The most important aspect of this relationship is in general farm management and maintenance. Experts in management such as spraying, planting, cultivating, harvesting and processing procedures are loaned out. This ensures the effective and expert running of the farm. The Bank of Agriculture is the best bank to look towards to provide Agricultural loans in Nigeria. Even though of the

financing will be done by MOBILE, BOA will play an important part in providing the financial aid in form of loans to procure the 150 hectares of land needed for the project at a 7% interest rate.

This alliance means that our product will be sold to them once it has been produced so there will be a reduced cost of storage and this will lead to profit increments.

MARKET AND SALES

Customers will want to buy products that are easily available and affordable. Therefore the management has focused on production and distribution efficiency as well as the demands of the target markets. The target markets will include other cities located in Rivers state as well as Bayelsa and Delta. It will also include South-East states such as Imo and Abia State.

Market share will be 10% on niche markets in the South-South and South East of Nigeria. We will be able to make available, high-quality plantain to the targeted niche markets as well as for other companies within the geographical zones who require the product for their own manufacturing needs.

COMPETITION ANALYSIS

There is a lot of competition in terms of production within the states in the south-south and south-east of Nigeria. States like Rivers produce very large amounts of plantain. Other states such as Delta and Rivers also have very significant competitors. Most of the plantain used

in the country is generated from these regions. However, the demand in these areas of Nigeria seems to be increasing every year. This is because most of what is produced by companies is transported to other states while the demand requirements within the region are not met. So the sale of Plantain within these regions of high production will be very feasible especially at lower prices but competitive quality. The analysis shows that even though there is completion, the supply of our product will help meet the demands of the market at low price for the locals small scale marketers and also for the large scale industries.

TARIFFS AND IMPORTATION RESTRICTIONS

MOBILE is sponsoring this project to encourage businesses that are making use of Nigeria's own raw materials instead of importing foreign ones into the country. Nigeria as a whole is also placing higher tariffs on goods which can be produced in the country. This also includes aiding businesses like these in importing agricultural equipment needed for production in Nigeria.

MARKET POTENTIAL

Due to the climbing demand for plantain and its derivatives in the nation especially, within Akwa Ibom state it will be a very productive venture to dive into as largest producers are earning huge sums of money by the day. Agricultural Equipment will be imported and will raise the competence of this business relative to others within the plantain industry.

PROFITABILITY

Due to the and climate of Eket, the growth of plantain trees will be favoured and should produce enough yield to generate more than enough profit. Irrigation is not a problem

since it is a tropical area where rainfalls are very consistent. However due to the large number of crows, there will be a tendency of loss of fruits due to invasion from these birds.

Various solutions will be discovered to maximize profits.

TECHNICAL FEASIBILITY

The business venture is a very common part of Nigeria's economy so it is not new to us here.

The harvesting of plantain can easily be done through the use of modern day agricultural equipment. Specialists in the field of agricultural systems like irrigation, planting, harvesting, pest control and management of the farm machines and tools, will be hired for efficient running of the entire farm. The transport of the produce will be through sea because that is the fastest and safest means of transporting goods.

Although the Rivers State plantain plantation continuing to grow every second, we are positive that our business will soon start to make its mark in Nigeria due to the strategies we have but in place to import the high quality of agricultural tools and machines and at the same time, by saving costs due to storage. This was managed through the help of MOBILE is giving out their fleet of cargo ships to be used for transportation. Also, the abandoned work site were also giving out for renovation to be used as storage facilities instead of constructing totally new storage infrastructure. Use of organic fertilizers will also be implemented in order to reduce the impact

on the environment as compared to chemical fertilizers. This is to maintain the nutrients in the soil for much long and to prevent depletion of soil activities by micro-organisms and maintain the rich, fertile soil of the tropics.

GOVERNMENT SUPPORTY AND REGULATIONS

This venture rhymes with the government’s claim to reduce exports and increase national patronization. This will improve are foreign exchange with other countries and also bring about more opportunities in form of employment to the locals in Eket. There will also be a benefit of support from government in providing left import taxes on agro-based equipment from overseas.

Project Timeline

The project will be completed in 1 year and 4 months starting from September 2020 up until March 2020.

Fixed Cost

(A) Land Clearing

Activity	QTY	₦	Amount for 100Hectares(₦)
Land Clearing and Pulverization	1Hectare	230,000	2,300,000
Forming of road paths for transport	1Hectare	50,000	500,000
Cross cutting	1Hectare	20,000	200,000
Rome ploughing	1Hectare	50,000	500,000
Sub total	1Hectare	300,000	
Total	100 Hectare		3,500,000

B) Equipment

Name	QTY	MODEL	USD	₱
Tractor	1	YTO-904(90hp)	24,450	8,802,000
Disc harrow	1	IBJ- 3.0	3,520	1,267,200
Fertilizer	4	WP-520	4,950	1,782,000
Tripper	1	7CX-8T	9,450	3,402,000
Combine Harvester	2	4YZ-6	203,500	37,260,000
Boom sprayer	1	3W-1000L-18	6,950	2,502,000
Front loader	2	TZ10D	6,570	2,365,200
Plantain Extraction Mill	3	1TPH-Model	30,000	11,670,600
Sub total			49,784,440	90,338,000

(B) Transport Vehicles

Type	Model	QTY	Cost (₱)
Pick-up Truck	Ford F-150	2	30,000,000
Trailer	Mercedes 2013	4	40,000,000
Total		6	70,000,000

(D) Irrigation

Type	QTY	Model	USD	₱
Hose Reel	1	140 – 440MT	28,186	1,0146,960

(E) Operating Cost

Operations	₱
Ploughing and Harrowing	2,500,000

Mechanization and storage	10,500,000
Input / Ha	9,182,500
Area yield insurance	13,500
Produce aggregation	5,500
Geo Spatial Service	4,500
Sub total	23,500
For 150Ha	2,350,000
Interest per hectare	23,000
For 150Ha	8,831,700
Total cost for 150Ha	2,4532,500
Loan principal and interest Total for 150Ha	250,000,000
Irrigation cost for 150Ha (excluding fixed cost)	10,000,000

Amortization

₦

Land clearing amortization (per hectare)	30,000
Land clearing amortization (150hectare)	3,000,000

REVENUE

Yield per hectare 3.25tonnes@ ₦300000 per tonne	
For 100Ha	₦
Net revenue for 150Ha(without amortization)	435,000
Net revenue with amortization(150Ha clearing)	174,000,000
TOTAL	120,700,000

FUNDING MECHANISMS

MOBILE will provide 150Ha of cleared farmland in the desired location for the palm oil production facility. MOBILE is giving out their fleet of cargo ships to be used for transportation. Also, the abandoned work sites are also given out for renovation to be used as storage facilities instead of constructing totally new storage infrastructure.

If there are any willing equity investor to provide equity for working capital but if not a loan is secure at the rate of 10% through government intervention window at the Bank of Agriculture, Bank of Industry and other Commercial banks.

CONCLUSION

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