

ADEGOKE-ALAGBE SAMUEL CHARLES

18/ENG03/006

CIVIL ENGINEERING

Cassava farming(MANIHOT ESCULENTA)

EXECUTIVE SUMMARY/BRIEF DESCRIPTION OF THE PROJECT:

After decades of military rule, corruption and over-reliance on oil revenues, Nigeria has consolidated its democratic transition through its recent presidential election. The major challenge now facing the most populous nation in sub-saharan Africa is to revitalize its economy will improve the livelihoods of its citizens, two-third of whom are poor. A key to Nigeria's economic growth is through private sector investment and trade in the agriculture sector, which comprises 40 percent of the GDP, and which is the largest employer of labor.

Feasibility study on the establishment of a cassava cultivation and processing is based on the survey made by the samz plus +Enterprises, and the business wholly owned by me Aare.Adegoke-alagbe. The farm will be named **ADEGOKE-ALAGBE INVESTMENT PLC** and will concentrate on growth of cassava, garri processing and pig farming.

Adegoke-alagbe will supply garri and its other product forms to different quick service in south west Nigeria and our vision is to be one of the known garri product

supplier in Nigeria with a mission to have garri piggery and its byproducts at a very profitable venture.

From the research that was carried out it was discovered that the demand for cassava nuts and its byproducts is not fully satisfied in Nigeria, though they are already existing agricultural farms operating around borders of Abeokuta and ogun state environment, the cassava plant will be sited at Obafemi Owode Local Government, Abeokuta and ogun state. There are high demand in some parts of Nigeria majorly Enugu, Lagos, Osun, Oyo and ogun. These legal requirements for the establishment of this venture such as local government revenue(tax) per month and security payment(vigilante) per month have been inquired and will be carefully complied with.

We plan the installation of a capacity of 65 tons of fresh cassava annually for the Starch milling plant in collaboration with input produced from the co-operative and the installation of a 10,000kg/hr capacity oil milling plan in collaboration with input produced from the co-operative.

The venture will help in providence employment to the locals meeting the demand of pig meat, garri and making the price affordable in future, **ADEGOKE-ALAGBE INVESTMENT PLC** intends to develop into other cassava by products.

SPONSOR:

The potential of Adegoke-alagbe limited on cassava sector development is based on its activities supported by USAID/Nigeria as well as a critical analysis which estimates a potential return of \$50million per year in the sector.

The project implementation strategy will emphasize some other private sectors participation with a focus on downstream partners; technical, social and financial empowerment of local communities and stakeholder ownership to enable producer groups, women and unemployed youth to make informed-decision on production and income generating activities.

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.

MANAGEMENT TEAM

- FARM MANGER:

Job duties and tasks for : "Agricultural crop farm Manager"

Qualification: HND/BSC (AGRICULTURAL SCIENCE)

- CASHIER/ACCOUNT

Qualification: ND (INVENTORY MANAGEMENT)

- STORE KEEPER/WAREHOUSE OFFICER

Qualification: ND (INVENTORY MANAGEMENT)

- FARM ATTENDANT

Qualification:ND (ANY SCIENCE RELATED COURSE)

- CLEANER:
- SECURITY OFFICERS

MAJOR MANAGEMENT

- Chief Executive Officer
- Human resources and Admin Manager
- Purchasing Office r
- Food Technologist
- Marketing and sales Team
- Accountant/cashier

TECHNICAL ASSISTANCE:

The international fund for agricultural Development (IFAD)has been the initiating

institution in this strategy planning exercise in enlarging ADEGOKE-ALAGBE INVESTMENT PLC. On February 2020, the intergovernmental Group on grains urged FAO to cooperate closely with the IFAD global cassava strategy task force. At the same meeting the Group on Grains agreed to extend its Terms of Reference to include roots, tubers and pulses, with the following modification statement:

“The Group shall include in its field of competence roots, tubers and pulses, exclusively for securing funding for commodity development purpose from the Common Fund for Commodities and, possibly, other financing agencies.” The Group also endorsed five new project ideas, including three for cassava : Integrated Research and Development project for the Development and Value-adding of cassava Products in China and south Asia Region ; Cassava Market Information and Promotion Service; and Expanding Cassava Utilisation for Food, Feed and Industrial Applications in Nigeria and Africa. The Group also endorsed the commodity development strategy for cassava as an essential prerequisite for the Fund’s giving consideration to projects for any commodity.

MARKET AND SALES:

Over and above, we have perfected our sale and marketing strategies. Firstly we are networking with agriculture merchants and companies that rely on retail processed cassava products. In fact , we will introduce our business by sending introductory letters alongside our brochure to stakeholders in the retail industry,

- Household

- Laundromat,
- Textile companies,
- Livestock farms and processing companies that rely on supply of processed cassava products

IN ADDITION

Market orientation: domestic; South-East & South-South, Nigeria, Africa and Asia

Market Share: 10% niche market in South West, South East Nigeria

Users of Products: bakery products, confectioneries, flour, monosodium glutamate(MSG) in mid Africa and Asia

COMPETITION ANALYSIS

Increased in cassava farming companies in the south-south makes the price of cassava rise frequently. Cassava products are used extensively in NIGERIA. The maximum content of cassava products in many countries. In Nigeria, it varies according to type, but is generally as follows: 10-40 per cent for pigs, 20-25 per cent for cattle and 10-20 per cent for poultry.

Supporting the position of IITA's okechukwu, professor kolawole Salako, Vice Chancellor of the Federal University of agriculture, Abeokuta(FUNAABO), said, there was a time the Federal Government promoted the export of cassava and this led to over-production and gluts in the market. People were encouraged and they

produced a lot, but in the short run, the price collapsed

Tariff and Import Restriction

The Central Bank of Nigeria(CBN) has begun a gradual restriction of foreign Exchange access for the importation of cassava and its derivatives, according to Governor Godwin Emiefele . the restriction is to help efforts at boosting output in the cassava sector, which has huge potential for but is highly performing below capacity.

Market Potential

There is strong demand for soyabean and soyabean derivatives in the Southern part of Nigeria. The state of infrastructure though not perfect still supports production and trade within Nigeria.

Profitability

The level of profitability of cassava production was found to be high with a **mean Gross Margin per hectare of N160,762.04**. Arising from the findings of the study , some recommendations were made for increased productive efficiency and income of cassava farmers in the study area.

Technical Feasibility

Cassava (*Manihot esculenta* Crantz) is the chief source of dietary food energy for the majority of the people living in the lowland tropics, and much of the sub-humid

tropics of West and Central Africa. Therefore, its production and utilization is given prime attention in food policy. ADEGOKE_ALAGBE INVESTMENT PLC is the third largest producer of cassava in the western part of Nigeria with an annual production of 39 million tonnes as at December 2019. Although Nigeria is reputed as the largest producer of cassava in the world, it is not an active participant in cassava trade in the international markets because most of her cassava is targeted at the domestic food market. Nigeria's production methods are primarily subsistence in nature and therefore unable to support industrial level demands.

Government Support and Regulation

The project confirm 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 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 9 months preferably between february, 2020 to November, 2021 because land clearing is mostly done in the dry season.

(A) Land Clearing

Activity	QTY	₦	K
Land Clearing	2Hectare	450,000	00
Cross cutting	2 Hectare	30,000	00
Rome ploughing	2Hectare	25,000	00
Sub total	2Hectare	300,000	00
Total	400 Hectare	805,000,000	00

(B) Equipment

Name	QTY	MODEL	USD	₦	K
Cassava sieving machine	1	PYI-454(80hp)	45,750	16,802,000	00
Cassava peeling machine	1	NHT- 3.0	6,520	1,867,200	00

Drying machine	1	ID-220 G	3,240	5,100,000	00
Cassava garri fryer	1	5YHVV-2C	4,950	1,882,000	00
Tripper	1	6BN-2U	9,450	3,402,000	00
Combine Harvester	1	7CYQ-6	103,500	37,260,000	00
Starch extraction machiner	1	3J-2000W-11	68950	2,567,000	00
Front loader	1	FR37RG	6,570	8,785,200	00
Sub total			159,390	89,569,400	00

(B) Vehicle

Type	Model	QTY	₦	K
Pick up Truck	HILUX	2	40,000,000	: 00

(D) Irrigation

Type QTY Model USD ₱ K

Hose Reel	1	140 – 440MT	34,186	1,0146,960	: 00
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Operating Cost

Working Capital			
	₱		K
Ploughing/Ha	112,000		00
Harrowing/Ha		11,000	00
Sub total		35,000	00
For 400 Ha	158,000,000		00
Mechanization and storage		105,000	00
For 400Ha		67,000,000	00
Input / Ha		91,825	00
For 400Ha		36,730,000	00

Area yield insurance	13,500	00
Produce aggregation	5,500	00
Geo Spatial Service	4,500	00
Sub total	23,500	00
For 400Ha	9,400,000	00
Interest per hectare	22,079	25
For 400Ha	8,831,700	00
Total cost per hectare	245,325	00
Total cost for 400Ha	98,130,000	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 (per hectare)	30,000	:	00
Land clearing amortization (400hectare)	12,000,000	:	00

REVENUE

Yield per hectare 3tonnes@ ₦145000 per tonne			
	₦		K
Revenue per hectare	435,000	:	00
For 400Ha	174,000,000	:	00
Net revenue for 400Ha(without amortization)	67,038,300	:	00
Net revenue with amortization(400ha clearing)	55,038,300	:	00
2 nd Production Cycle			
Net revenue	43,020,180	:	
	00		
Net revenue with amortization(400ha			

land)	
Annual Net Revenue (1 st + 2 nd Cycle)	76,058,480 : 00

Currency conversion rate: ~~N~~360.00 to 1USD

Funding Mechanism

ADEGOKE-ALAGBE INVESTMENT PLC will produce finance required to purchase more trailers to assist with the reaping of cassava tubers and for the construction of loading ramp, to facilitate the loading of trucks.

Conclusion

The proposed cassava farming production has a reasonably high chance of success at the start and its profitable. Aside the profitability , most fascinating about this proposed project is that its directly depicts sustainable agriculture as it were, because it increases productivity, bolsters economics of scale, its environmentally sound, economically viable and ensures continuous stream of income. Increasing employment generation is also a key benefit of this enterprise as the business expands over time. The products have the propensity to be produced efficiently and can be marketed effectively.

