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BIOMEDICAL ENGINEERING

18/ENG08/023

AFE 202

FOOD health and awareness

**Question: Prepare a business plan for a chosen agricultural enterprise, following the guideline in the note.**

**Chapter 1: Executive summary and brief description of the project**

 E&B Farms enterprise was created to meet the growing needs of a community that shares these

same views and is concerned about what they eat and feed their children. The E&B Farms enterprise is

based on the sound principles of conserving natural resources, limiting the carbon footprint,

growing, hiring and eating locally grown and prepared foods, and making the world a better place

to live in. This is a community that is tired of ‘fresh’ pepper bought at the local grocery store.

When more than likely the “fresh” pepper were picked while still unripe, shipped 5,000 miles

over several days/weeks, and then artificially "ripened" using ethylene gas, thus robbing it of

practically all of its nutritional value.

 E&B Farms enterprise is a Community Supported Agriculture (“CSA”) Business entity. CSA is

both a marketing strategy and a philosophy. The farmers sell shares (subscriptions) in the next

season’s produce, usually before the season begins. Each week of the season, the member

receives a ‘share’ of produce from the farm. In some cases the members are involved in

decision-making of all aspects of the operation; in others the farmer makes all the decisions.

Each CSA is as unique to the farmer and the community it serves. Members may pick up their

boxes at the farm, at delivery sites, or home delivery may be offered.

The purpose of this business plan is to provide a blueprint for near term and long term goals.

The business plan will be utilized as a tool to gauge how well the farm is doing in the future

compared to their initial goals and keep them on target. The business plan is also a tool for

lenders, explaining the need for initial financing, the source and use of funds, and debt repayment capabilities. The Farm has simple objectives: provide healthy and delicious tasting

vegetables while simultaneously leaving a minimal carbon footprint.

The business plan examines the feasibility of and indeed economic viability of the development of 40,000 hectares of land for crop cultivation such as tomatoes, pepper, okra etc. The farm will be able to provide about 200,000 tonnes of pepper, 243,000 tonnes of tomatoes, 200,000 tonnes of okra etc. The vegetables are not only used for food services. The E&B Farms enterprise mission is to raise the best tasting and finest quality fruits and

vegetables for the local community. The Farm uses only natural and

sustainable farming methods, free from pesticides or fertilizers. Natural foods and natural

farming methods leaves a smaller carbon footprint while simultaneously improves the health of its customers and it’s local community. The E&B Farms enterprise slogan is: “Healthy living is better living”. The owners

also believe in contributing to their community and the planet by:

**1. Local**

The E&B Farms enterprise believes that in order for the survival of the planet, we must

rely on local resources. Buying from local farmers supports the local economy

**2. Sustainable Living**

By reducing reliance on energy is better for the planet and conserves our natural

resources

**3. Satisfied Customers**

Happy members ensure repeat business and their referrals grow the business.

**Chapter 2: Sponsorship and Management**

The Sponsors of the farm are the owners Mr Effiong and Mr Bada with help of a Commercial loan and a Commercial mortgage. The owners will inject N4,500,000 of their personal money into the business and take out a commercial loan of N2,100,000 to support the business.

E&B Farms enterprise will be wholly owned and operated by and Mr Effiong and Mr Bada.

Mr Effiong will perform all office and accounting functions such as calculating the initial

garden costs, seed costs and planting times. Both owners will harvest the crop. E&B Farms enterprise will employ Four apprentice farmer for each additional acre that is cultivated.

Over time, they have plans to hire part-time delivery drivers as well as bookkeeper. They will actively manage the farm. Farm management duties will include the

creation of a detailed planting guide and building a living soil. Only sustainable and

organic farming methods will be used with no reliance on off-farm inputs and chemical

pesticides/fertilizers. Growing methods include crop rotation, planting cover crops,

applying finished compost and mulches, and encouraging beneficial insects, weed

management, irrigation and harvesting. Mr. Effiong will also be responsibility for preparing

detailed accounting records for their tax accountant.

 Mr Bada will also actively participate in managing the crop during the busy summer

months. During the slower winter months, both will work to complete their E-books

which will be sold on line and supplement revenue. They will also actively market E&B Farms enterprise Farm by speaking to local civic groups, providing tours of the farm, and drafting the weekly newsletters. E&B Farms enterprise will rely on its Tax Accountant to assist with tax reporting.

**Chapter 3: Market and Sales**

E&B Farm enterprise is targeting the households with incomes above N7,500,000. The

target market represents approximately 64 percent of the total population, which

should easily absorb E&B Farm enterprise entrance.

Delta population is 1,112,445. It grew 10 percent between and

2009. The County is expected to continue to grow by a similar rate until 2015 when

it reaches a population of 2,515,342. E&B farm enterprise is targeting households with earnings in excess of N7,500,000 in the

greater Part of Delta state. Approximately 51 percent of the population resides in this

category. Other farmers have missed this target by focusing on traditional farming

methods while E&B farm enterprise has obtained the Certified Organic stamp of approval.

In addition to, . E&B farm enterprise will focus its energies primarily on its members and

provide services exceeding expectations by offering farm to door delivery service,

providing supplemental local organic products and by providing a festive like atmosphere

at the farm – especially on harvest day and other special occasions.

Farm sought the services of the independent certification agency and has earned the

distinction to be labelled an organic farm. Comparatively their CSA counterparts that

continue to operate by traditional farming methods, . E&B farm enterprise holds itself

to a higher standard, which in time, they believe will attract and keep new members. The farm will focus its energies primarily on its members and provide

services exceeding expectations by offering farm to door delivery service, providing

supplemental local organic products and by providing a festive like atmosphere at the farm especially on harvest days and other special occasions.E&B farm enterprise will utilize product differentiation to stand apart from the

competition. By growing wholesome organic produce, offering farm to door service, andactively engaging with its members, The Farm will go above and beyond to maintain and grow its member base. The Farm will utilize a fair price for a fair value. Some research suggests

that the CSA farm is usually lower in price than organically grown food from local

E&B farm enterprise’s website will provide additional marketing information. In

addition to its map and location, E&B farm enterprise will be listed with other CSA

organizations such as national CSA.

In the off season, they will provide lectures to civic and environmental

groups.

During harvest time, the farm will be open to the public to browse and purchase

surplus from the harvest bounty. They will also host special events such as Earth Day. E&B farm enterprise website will be a vital key in marketing. In addition to

providing its history, location and contact information, the site will also have links to

its CSA affiliations, the website and current organic industry topics. The

website will also have links to the current weekly newsletter (during season) and off

season the owners will maintain a blog of what items are currently going to seedlings

in the greenhouse and what new and exciting produce will be available in the

upcoming season. Additionally, the site will have links to Effiong and Bada’s forthcoming E-books

which will provide additional cash flow during the non-production months.

The site will also take advantage of social media and have a Instagram and Facebook link as well.

 E&B farm enterprise primary sales program is the sale of shares.

**Chapter 4: Technical feasibility, Resources and Environment**

Many changes observed in the environment are long term, occurring slowly over time. Organic agriculture considers the medium- and long-term effect of agricultural interventions on the agro-ecosystem. It aims to produce food while establishing an ecological balance to prevent soil fertility or pest problems. Organic agriculture takes a proactive approach as opposed to treating problems after they emerge.
Soil building practices such as crop rotations, inter-cropping, symbiotic associations, cover crops, organic fertilizers and minimum tillage are central to organic practices. These encourage soil fauna and flora, improving soil formation and structure and creating more stable systems. In turn, nutrient and energy cycling is increased and the retentive abilities of the soil for nutrients and water are enhanced, compensating for the non-use of mineral fertilizers. Such management techniques also play an important role in soil erosion control. The length of time that the soil is exposed to erosive forces is decreased, soil biodiversity is increased, and nutrient losses are reduced, helping to maintain and enhance soil productivity. Crop export of nutrients is usually compensated by farm-derived renewable resources but it is sometimes necessary to supplement organic soils with potassium, phosphate, calcium, magnesium and trace elements from external sources. In many agriculture areas, pollution of groundwater courses with synthetic fertilizers and pesticides is a major problem. As the use of these is prohibited in organic agriculture, they are replaced by organic fertilizers (e.g. compost, animal manure, green manure) and through the use of greater biodiversity (in terms of species cultivated and permanent vegetation), enhancing soil structure and water infiltration. Well managed organic systems with better nutrient retentive abilities, greatly reduce the risk of groundwater pollution. In some areas where pollution is a real problem, conversion to organic agriculture is highly encouraged as a restorative measure.

**Chapter 5: Government support and regulation**

Organic farmers, ranchers, and food processors follow a defined set of standards to produce organic food and fiber. Congress described general organic principles in the Organic Foods Production Act, and the CSA defines specific [organic standards](https://www.ams.usda.gov/grades-standards/organic-standards). These standards cover the product from farm to table, including soil and water quality, pest control, livestock practices, and rules for food additives. The Farm Service Agency (FSA) can help you with the cost of transitioning to organic, organic certification, real estate, buildings, repairs, insurance, field buffers, routine operating expenses, storage and handling equipment, crop losses, soil and water conservation, mapping field boundaries, and acreage reporting. The Noninsured Crop Disaster Assistance Program provides financial assistance for 55 to 100 percent of the average market price for organic crop losses between 50 to 65 percent of expected production due to a natural disaster. New farmers, and traditionally underserved or limited resource farmers are eligible for free catastrophic coverage and discounted premiums on higher coverage. Marketing assistance loans are available that provide interim financing to help organic producers meet cash flow needs without having to sell crops during harvest when market prices are low. Deficiency payments are also available to producers who forgo the loan in return for a payment on the eligible commodity. For more information on commodity loans and deficiency payments. Farm Storage Facility Loans provide low-interest financing to build or upgrade storage facilities for organic commodities, including cold storage, grain bins, bulk tanks and drying and handling equipment. For more information on facility loans.

**Chapter 6: Timelines of Projects**

Starting an organic farm is no small feat as you won’t have the help of artificial enhancers like fertilizers, pesticides, etc. So it was s estimated that an organic farm should be up and running in about Thirty six months (three years) and after this, it should take about six to ten weeks for your farm to be certified as Organic.

**Chapter 7: Estimated Project Cost and Revenue**

FIXED COST:

LAND CLEARING:

|  |  |  |  |
| --- | --- | --- | --- |
| Activity | QTY | ₦ | K |
| Land Clearing | 1 Hectare | 200,000 | 00 |
| Cross Cutting | 1 Hectare | 10,000 | 00 |
| Rome Ploughing | 1 Hectare | 20,000 | 00 |
| Sub Total | 1 Hectare | 60,000 | 00 |
| Total |  Hectare | 1,,000,000 | 00 |

VEHICLE:

|  |  |  |  |
| --- | --- | --- | --- |
| TYPE | MODEL | QTY | ₦ K |
| Pickup Truck | HILUX | 2 | 30,000,000 : 00 |

EQUIPMENT:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| NAME | QTY | MODEL | USD | ₦ | K |
| Tractor | 1 | YTO-904(90hp) | 4,450 | 802,000 | 00 |
| Disc Harrow | 1 | IBJ-3.0 | 3,520 | 267,200 | 00 |
| Combine Harvester | 1 | 4YZ-6 | 10,500 | 260,000 | 00 |
| Boom Sprayer | 1 | 3W-1000L-18 | 6,950 | 502,000 | 00 |
| Total |  |  | 38,420 | 2,,831,200 | 00 |

**Chapter 8: Funding Mechanism**

The land is provided for by using mortgage payments and investors are encouraged as there are shares to be bought. Any funding that is not from the purse of the owners, is gotten through loans sourced by the owners at a reasonable interest percentage.

**Chapter 9: Conclusion**

The project is Technically feasible and Commercially viable. It is therefore recommended for funding.

**References: E&b farm enterprise..co.org**