

NAME: BASHIRABUBAKAR IDRIS

DEPARTMENT: CHEMICAL ENGINEERING

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COURSE: FOOD PRODUCTION AND HEALTH AWARENESS

INTRODUCTION

What is a Business plan?

A business plan is a formal written document containing business goals, the methods on how these goals can be attained, and the time frame within which these goals need to be achieved.

BRIEF DESCRIPTION OF PROJECT

This Business plan examines the development of a 3.8acres Dairy farm and the expansion of the Dairy farm here in Trans-idris by Idris Abubakar Group of Companies LTD. The new and developed farm will house up to 10,000 cows and over 5,000 goats. The Expansion of the farm will also see the installation of new automatic milking machines. The production of dairy products is popular amongst the northern part of Nigeria. This project will help to create more opportunities for other farmers, as well as produce more dairy products within the southern part of Nigeria. This project will also bring adequate returns for our sponsors.

SPONSORSHIP:

The project is sponsored by Mr Idris Abubakar, a well-known and established farmer and the founder of Idris Abubakar Group of Companies LTD.

MANAGEMENT

- Chief operating officer
- General farm manager
- Accountant
- Sales and Marketing Executive
- Front desk officer

TECHNICAL ASSISTANCE

The Idris Abubakar Group of companies LTD has a working relationship with USDA's beginning farmer and Rancher development grant program (BFRDP) as the national clearing house, makes available several key business planning guides. ITOU has an authority in poultry farming and will provide technical assistance. The industry also has a working relationship with BWA (banking with agriculture) banking with agriculture has agreed to finance the production of 2.4 acres dairy farm through a loan of 7% interest rate given to the cooperative

The industry has a working relationship with the rivers state government, rivers state ministry of agric, farmer's union and agric cooperatives the industry will get technical assistance from this relationship in the area of production through contract farming The industry also has a working relationship with industry players in the project area who will take over products through a purchase and contract agreements.

MARKET AND SALES

The motivation behind why some dairy cultivates barely make great benefit is their failure to sell of their crude milk and other dairy items to a bigger market. In a perspective on that we chose to set up a standard milk preparing and bundling plant to assist us with boosting benefit.

We have idealized our deal and advertising systems first by systems administration with agribusiness vendors and organizations that depend on crude materials from the dairy ranch industry that are probably going to allude become our clients. We can receive the accompanying techniques in showcasing our dairy cultivating produce

- Advertise our business in Agro partnered and nourishment related magazines and sites
- List our dairy cultivates on business catalogue promotions
- Attend related farming and nourishment expos, classes
- Leverage on the web to advance our business
- Engage in direct showcasing
- Encourage the utilization of referrals

TECHNICAL FEASIBILITY

- Projected milk potential (surplus milk) in the block is about 14,552 litre from the 20 surveyed villages.
- Atleast 40% of the total projected milk can be easily tapped by the proposed unit (about 5800 litres)
- 5000-ltr capacity bulk cooler can be established
- To minimise the operational costs in the initial period, it is suggested to start with 3000 litre BCU with scope for 2000 liter expansion

PROJECT ENGINEERING

Strategy in the initial period should be to sell required milk to the local institutional buyers and the remaining milk should be sold to the large institutional buyers to optimize the profits.

RESOURCES AND ENVIRONMENT

- **ENVIRONMENTAL FEASIBILITY**

– To make the plant location environmentally feasible one, proper effluent disposal system should be developed at the site.

– Clearance from the Pollution control board.

- **RESOURCE**

Formation of Milk Producers Groups (MPGs) Preliminary visits to the selected villages Exposure visit to dairy to members Follow up meeting of the Exposure visits Promotion Meeting in the village Registration meeting in the village.

GOVERNMENT SUPPORT AND REGULATION

The government supports foreign exchange and reduces import conservation of government. It creates economic opportunities, Market access, and improved income for farmers and support food security.

The project will contribute significantly to employment and output increase, stable price and stable exchange rate.

TIMELINES OF PROJECTS

The Expansion of the Dairy Farm will take 4-8 Months. With Adequate help provided from our sponsors, we believe we can achieve our goal. Below are the various Dairy Animals we are currently housing in the farm:

Class of Animal		No. Animal	LW	Au/Animal
Calves	Heifer	4	100	0.22
	Bull	4	100	0.22
Yearling	Heifer	4	250	0.56
	Steers & bulls	3	250	0.56
2 yrs	Heifer	4	450	1
	Steers & bulls	3	450	1
3 - 7 yrs	Milking cows	10	500	1.11
	MA steers	5	500	1.11
	MA bulls	2	700	1.56
Old dry	Cows	3	450	1
	TOTAL	42 [Animals]		

After the various changes we intend to make, we project to start housing more Dairy Animals. **Below are the Plans:**

		Before	After	
Calves	Heifer	4	20	
	Bull	4	50	
YR 1	Heifer	4	45	
	Bulls	3	0	
YR 2	Heifer	4	48	
	Bull	3	0	
Milking	Cows	10	100	
MA	Steers	5	0	
Herd	Bulls	2	100	
Old	Cows	3	0	
Young	Bulls	0	70	

New Total: 433

ESTIMATED PROJECT COSTS&REVENUE

Mean Herd				
Size	33	88	313	955
Output Per				
Cow	14,932	16,157	17,420	17,326

Total Operating Cost	11.61	9.75	8.49	8.63
All Feed	8	7	6	6

Total Labour Cost	11.9	6.04	2.77	1.86
Hired Labour	0.32	1.01	1.45	1.41
Unpaid Labour	11.58	5.03	1.32	0.45
Total Ownership Costs	6.88	5.08	3.89	1.9
Housing Facilities	1.57	1.31	1.14	0.48
Milking Facilities	1.33	0.66	0.1	0.06
Machinery	2.26	1.43	0.54	0.26
Total Costs	30.39	20.87	15.15	12.39
Gross Value of Production	15.74	14.68	14.06	14.41
<u>REVENUE</u>				
I. Total Revenue		45862	44440	43292
II. Total Production Costs		27614	26899	26271
III. R/C ratio		1.66	1.65	1.65

FUNDING MECHANISM

The Sponsor will provide Quality Equipment for the use of the farmers

The Sponsor will also provide fairness for working capital and will look to secure a

loan at the rate of 10% through Government intervention window at the Bank of Agriculture.

The Sponsor will provide Vehicles and trucks.