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**COURSE TITLE: FOOD PRODUCTION AND
HEALTH AWARENESS**

1. Prepare a business plan on a chosen agricultural enterprise following the guidelines in the note.

Executive summary

AKINOLA PRODUCT is a proposed venture that will be dedicated to the production of rice for homes, societies and communities in festac, Lagos. Also we will provide access to products to complement the product consulting services. This venture offers the personalized services the target market desires and can afford in a way that is unique from concept to implementation.

- Recent market research indicates a specific and growing need in the area for rice plant and products, **AKINOLA PRODUCT** offers the market it will serve. The market strategy will be based on a cost effective approach to reach this clearly defined target market. Although the population of festac is under 200,000, the market has a significant quantity of relatively wealthy households that are conscious of the nutrition of their

home and society because rice provides nutrients. The approach to promote **AKINOLA PRODUCT** will be through establishing relationships with key people in the community and then through referral activities once a significant client base is established. We will focus on developing solid and loyal client relationships offering best rice products based on the client's taste, budget, use, and goals of the yam product. The additional selection, accessibility of product, design services, and value-based pricing will differentiate **AKINOLA PRODUCT** from the other options in the area.

Sponsors

This product is sponsored by **IKE DAVID COMPANY**. They manage the **IKE** rice farm product, they are the largest commercial rice farm in Nigeria by land size. **IKE DAVID COMPANY** is promoting the productivity of rice in Nasarawa state. **IKE DAVID COMPANY** will be responsible for the management and consultancy of this project.

Management:

The business would be run by very experienced professionals in all important fields. Each department will have an administrative and technical manager which will be assisted by all other members of staff. The administrative head is responsible for all administrative functions which include receiving incoming orders for goods from consumers, giving weekly reports, balancing the accounts etc. The technical heads would be in charge of the manufacturing process, the product and its use. The managers and all members of staff would be evaluated periodically by the board of directors as well as the individuals they work with. There would be both proper and accurate recording of each transaction to check for any inconsistency this recording would be electronic based so as to make it easier more effective and accurate.

Technical assistance

As a business that supplies rice to people, **IKE DAVID COMPANY** has a working relationship with some business to help increase and improve the business by providing technical assistance.

There are various services to be rendered to improve the business which includes:

Internet access and business software development

Finance, which includes loans

Farming contracts

Creating a website for the business

Market and sales

Market orientation: domestic; north east & north west, Nigeria

Market share: 10% niche market in north east, northwest Nigeria

Users of product: starch for humans, rice flour for consumption, rice husk for building materials, rice straw for soil improvement.

Competition analysis

Kebbi state is the state with the highest rice production rate in Nigeria, it recorded a harvest of 2 million metric tonnes of rice in the rainy season and about 1.5 million metric tonnes of rice in the dry season.

Benue state is the second state with the highest production rate, producing a capacity of 1,500,000 MT per year, followed by Ebonyi state, Ekiti state, Jigawa state, Kaduna state, Kano state

The places where significant production of rice took place in North East is Kebbi, Borno, Kano and Kaduna states.

Based on this above analysis, competition in terms of production in North East, Nigeria is non-existent. Compare to the demand for produce.

Tariff and Import Restriction:

MSC restriction on food importation and zero duty in the transportation of agricultural infrastructure materials or agricultural storage materials will favor the project under consideration.

Market potential

There is a very high demand of rice in the western part of Nigeria because it is the most consumed cereal. The states are providing infrastructures to support the production and distribution of rice in Nigeria.

Profitability

Rice production is a profitable business in Nigeria due to the fact that it is among the most consumed cereal in Nigeria. A lot of factors reduce the profitability of rice production such as climate, diseases, pest, low quality soil, natural disasters e.t.c. However, advanced technology has been put in place to reduce loss and increase profits.

Technical feasibility

The project is technically feasible. In terms of technology which involves the removing of the rice husk, the industrial processes are simple.

The equipment required for the removal of rice husks are available and we have experts that have experience in the use of the equipment available too.

We also have various specialists in planting, harvesting, weed removal, irrigation, accounting, distribution, market development, and crop

production. We are implementing our project using best international practices, sustainable production and due consideration for the environment.

Government support and regulation

This particular project supports various objectives of the government. It provides employment opportunities for youths and other members of the community, it also helps in improving the market and reduces the importation of foreign rice.

This project supports foreign exchange and creates economic opportunities.

Estimated project costs and Revenue

Fixed cost

A) land clearing

<u>Activity</u>	<u>QTY</u>	<u>N</u>	<u>K</u>
<u>Land Clearing</u>	<u>1hectare</u>	<u>200,000</u>	<u>00</u>
<u>Grass cutting</u>	<u>1hectare</u>	<u>10,000</u>	<u>00</u>
<u>Rome ploughing</u>	<u>1hectare</u>	<u>40,000</u>	<u>00</u>
<u>Sub total</u>	<u>1hectare</u>	<u>350,000</u>	<u>00</u>
Total	400 Hectare	140,000,000	00

Equipment

Name	QTY	USD	N	K
Tractor	1	20,000	8,000,000	00
Disc harrow	1	3,000	1,000,000	00
Subsoiler	1	3,000	1,000,000	00
Soy seeder	1	4,000	1,500,000	00
Tripper	1	9,000	3,000,000	00
Combine harvester	1	100,000	37,000,000	00
Broom sprayer	1	6,000	2,000,000	00
Front loader	1	6,000	2,000,000	00
Sub total			56,500,000	00

Operating cost

Working capital	N	K
Harrowing	5,000	00
Sub total	5,000	00
For 400 Ha	5,000	00
Mechanization and storage	100,000	00
For 400 ha	40,000,000	00
Area yield insurance	13,000,000	00

Produce aggregation	5,000	00
Geospatial service	4,0000	00
Total for 400 Ha	100,000,000	00
Irrigation cost for 400Ha(excluding fixed cost)	20,018,000	00

Revenue

Yield per hectare 3 tonnes@15,000 per tonne	
	N
Revenue per hectare	400,000
For 400Ha	170,000,000
2nd production cycle	67,000
Net revenue	45,000,00
Annual net revenue	90,000,000

Currency conversion rate: # 360.00 to 1USD

Funding mechanism

AKINOLA PRODUCT will provide 400 Ha of farm land which has been cleared and will lease it to members of cooperatives.

We will also lease cribs to equity contribution. possible equity investor will provide equity for working capital.

Conclusion

The project is technically feasible and commercially viable. It is therefore recommended for funding. We look at possibilities for improving cost control through new technologies or cultural practices. We identify key leverage points that can generate the "most bang for the buck". We will compare what other producers are doing with ours.