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QUESTION

 CREATE A BUSINESS PLAN ON A CHOSEN AGRICULTURAL ENTERPRISE FOLLOWING THE GUIDELINE IN THE NOTE

CONTENTS OF A FEASIBILITY REPORT

1. Executive summary/ brief description of the project
2. Sponsorship, management and technical assistance
3. Market and sales
4. Technical Feasibility ,resources and environmental
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Executive summary / project description

The company [JOBOND BREEDERS LIMITED]

This business plan examines the feasibility of and indeed economic viability of the development of a 200 hectares of fishery pods and the establishment of fishing materials and machinery plant in Enugu state

The farm will produce the total of 300 fishes in a production circle. The fishing materials and machinery will help produce chemicals and crops needed to treat and feed the fishes, which will eventually create a better result and fast development in the fishes for the feeding of the rural and urban centers and also for the distribution of them to the

 Frozen stores and organizations who produce their products from fishery. There is high domestic demand for these products because of our huge population and production constraints leading to shortage of the commodity. Production is currently popular in Lagos and Port Harcourt as the lead producers. Enugu imports significant quality fishes and its derivatives to augment domestic shortages.

The proposed project will create economic opportunities, impact positively on the people and help conserve scarce foreign exchange. The entire fishes to be natured and treated will be sourced locally through direct production, contract farming in Enugu state and direct purchase from smallholders farmers in other production areas. The project will create market access, improvement on the income gotten from the investment and it will generate satisfactory returns to both investors and sponsors. Furthermore, it will significantly contribute to food security in the society at large.

Sponsorship

The project is sponsored by DR. Seun Jorge, the founder of Mango Machinery limited. Dr. Seun Jorge is promoting agriculture through the production of high quality machinery tools for all types of farming including fishery. He also encourages and help aid productivity in smallholder farmers in Enugu state through his industries cooperation. His industry is well organized and up to date with the machinery needed for farming and works with other foreign organizations that majorly deals on farming business in other to promote good agriculture in the society. The organization has a department which are experts with many years of experience in the project being proposed. Millitin Agribusiness and consultancy will be responsible for the management consultancy of the projects.

Management

The management will comprise of a democratically elected Board of Directors at the apex of the organization structure. Therefore, 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. The prime objective of the board will be to give strategic directions and policies that will ensure long term success of the organization. The board will ensure that the organization complied with all standards set by regulatory authorities.

The managing director shall be responsible for the coordination of the day to day management of the cooperative business. He will definitely be held accountable to the board of directors, he will be in charge of the mobilization of the organizational resources to achieve set goals. He will also manage business risk and focus on wealth creation.

Technical Assistance

The organization is working relationship with AMFOA[ African Multiple Farming organization of Agriculture in Abuja] through an executed MOU. AMFOA has mandate in fishery production and processing and will provide technical assistance in this regard. The organization is also working with the [West African bank of Agriculture] and we are collaborating on Jabond Breeders Limited, who organized an annual agricultural anniversary, where the DR. Mike Collins who is the owner or founder of Jabond Breeders limited appreciated Enugu farmers through monetary award to the best 5 farmers in each local government area of the 20 L.G.A in Enugu state and the overall best farmer in the state. West African Bank of Agriculture has agreed to finance production of the 200hectares of fishery through a loan of 9% interest rate which is the anchors borrower’s scheme, which is given to the cooperative.

The organization will fund the processing factory and access finance for the fishery chemical, tools and machinery from WABA [West African Bank of Agriculture] at the rate of 9 percent. The cooperative will also seek grant from South African Development Foundation [SADF]. The organization has good relationship with commercial banks and will approach one for loan to clear the land which will be leased to members of the cooperative.

The organization has a working relationship with Enugu state Government, Enugu State Ministry of Agriculture, Farmers union and Individual Farmers. The organization will get technical support from this relationship in the area of production through contract farming or out grower scheme.

The organization has working relationships with the linkages to industry players in the project area who will off products through a purchase and sale contract agreement. They include Mayo Agricultural tools limited, Don Farmers limited, farm support, and others. The fishery production will be sold through cooperatives and distribution channels. The fishing production will be sold to players in charge of organizations who majorly produce fishery products.

MARKET AND SALES

Market orientation include the South, west and south east, Nigeria

Market Share is 5% niche market in south west, south East Nigeria

Users of products: healthy well groomed fishes for human consumption in store houses and frozen food stores, production of fishes for body care organization who use minerals gotten from fish to produce their products, and also drug organization, who use fish favour as one of the ingredients for their drug production.

COMPETITION ANALIYSIS

Decisions has been carried out that in other for the organization to excel in the market, we need to utilize our cost leadership, and the objective is to become the lowest- cost producer. Which will be achieved through a large-scale production where companies can exploit economies of scale. If our organization is able utilize economies of scale, and produce cost lower than our competitors, the organization will be able to establish a selling price that is unable to be replicated by companies. And it will be a significant cost of advantage over our competitors. Our organization must also be different and unique in production and packaging, we must always try to avoid the mistakes most fishery organizations commit. Which will promote us ahead of the game. We should always endeavor to deliver high- quality products or services to our customers on time. And also set a premium price on our product and services, which will eventually make us stand out from our competitors. Several research has been made to know where are competitors are which are majorly in towns, Urban centers etc. Moreover we tend to be focused towards a narrow target market segment in other to be at more advantage when the consumers purchases more than 1 product.

Tariff and Import Restriction

Pan African Agricultural restriction on food importation and zero duty on imported agricultural equipment will favor the project under consideration.

MARKET POTENTIAL

There is strong demand for fishes and fish products in the eastern and western part of Nigeria. And the state infrastructure though not perfect but supports Agriculture production and trade within Nigeria.

PROFITABILITY

There are various problems that may affect our organization such as the biological, chemical, physical and environmental factor, most of these factors are; the weather climate, water pollution, pests, diseases, harsh condition in water temperature, price fluctuation and many other risks. Like fungi, bacteria and diseases that kills affects boilers and fishery.

Which will automatically affect yield and profitability.

There are plans and arrangement on technical, scientific and financial based solutions which will be employed to hedge against risks and safeguard profit. There will also be an established sector where our fishes are checked and treated from all bacteria and diseases.

TECHNICAL FEASIBILITY

The project [production of fishery and fishery products for body care and consumption] which are technically feasible. In terms of technology and the tools and materials used to treat and nurture the fishes, organizing a well-balanced, and right set of food for them to feed on. The availability of machinery who majorly extracts nutrients and vitamins for the production of body care products and body building drugs. The industrial processes are simple and a specialist in mineral extraction for production, has more than 21 years’ experience is part of the team. The needed equipment for fishery mineral extraction are readily available and our experts have hand on experience in the usage and maintenance of the equipment.

We also have specialist in quality control of healthy fishes as part of our management team. The state of infrastructure around the company and generally in Enugu is adequate and suitable for the location of the firm for efficient production, processing and marketing.

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

GOVERNMENT SUPPORT AND REGULATION

The project will accurately advance and increase the creation of job opportunities in the society and also import reduction conservation of government. It creates economic opportunities, Market access to healthier sea food products, and improved income for farmers and support of food security objective of government. The project will benefit from government intervention fund in the agricultural sector. The project will also benefit from the favorable policy of zero duty for agricultural and equipment importation. Furthermore, the project will contribute significantly to employment, output increase, stable prize and stable exchange rate.

PROJECT TIMELINE

The project will be completed within 7 months preferably between December 2019 to June, 2020 because land clearing is mostly done in the dry season.

ESTIMATED PROJECT COSTS AND REVENUE

FIXED COST

1. Land clearing

|  |  |  |  |
| --- | --- | --- | --- |
| ACTIVIY | QUALITY | NAIRA  | KOBO |
| Land clearing  | 1hectare | 230,000 | 00 |
| Cross cutting and Rome ploughing | 1 hectare | 80,000 | 00 |
| Total | 200 hectares | 310,000 | 00 |

1. Equipment

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| NAME | QUANTITY | MODEL | NAIRA | KOBO |
| Centrifugal pumpsAeration devices | 11 | 4 \*4’’15hp3.5W | 450,00049,300.00 | 0000 |
| Seine reels | 2 | YUMOSHI 12 BB | 22,432.00 | 00 |
| Handling and grading equipment | 1 | Fish and animal feed vertical mixer | 1,300,000 | 00 |
| Generators | 2 | Fireman 720VA SPG 1200 | 90,000 | 00 |
| Sub total |  |  | 1,506,732 | 00 |

C VEHICLE

Type model Quantity # K

|  |  |  |  |
| --- | --- | --- | --- |
| Pickup Truck | Hilux | 2 | 30,000,000 : 00 |
| OPERATING COST |  |  |
|  WORKING CAPITAL | # | K |
|  |  |  |
| Seed | 80,000 | 00 |
| Feed | 500,000 | 00 |
| Labour | 800,000 | 00 |
| Mechanization and store | 900,000 | 00 |
| Area yield insurance | 15,300 | 00 |
| Farming tools equipment | 500,00 | 00 |
| Irrigation cost for 200hectare[excluding fixed cost] | 1,000,000 | 00 |
| Other expenses | 500,000 | 00 |
|  |  |  |

 Amortization

|  |  |
| --- | --- |
| Land clearing amortization per hectare] | 20,000 : 00 |
| Land clearing amortization [200hectare] | 1.5,000,000 :00  |

 REVENUE

|  |  |
| --- | --- |
| Yield per hectare 100 species@ 120,000 per set |  |
|  | # : k |
| Revenue per set in a hectare | 550,000 : 00 |
| For 200Ha | 1,100,000 : 00 |
| Net revenue for 200Ha { without amortization} | 300,000 : 00 |
| 2nd Production cycle |  |
| Net revenue | 800,000 : 00 |
| Net revenue with amortization {200ha land} |  |
| Annual Net Revenue [1st and 2nd circle}  | 92,232,180 |

 Funding Mechanism

Jabond breed limited will provide 200Ha of cleared farmland around the company and lease it with members of the cooperative. Where possible equity investor will provide equity for working capital, equipment and vehicles will be purchased through the agreement or otherwise secure loan at the rate of 9% through government intervention window at the West African Bank of Agriculture, and commercial banks.

Conclusion

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