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MATRIC NO: 19/sms09/084

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COURSE: AFE 202

Cowfield

Sweet & buttery

Business plan

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Executive summary

There are few suppliers of made in Nigeria fortified milk drinks to meet the high demand. Cowfield seeks to bridge the gap by producing yoghurts, fresh milk, infant formula and butter, proudly made in Nigeria. Our products will be first marketed for the Nigerian population and subsequently, exportation to other parts of Africa will be considered. These products will be made affordable to cater for all households and with that, we are able to compete with the few milk and yoghurt firms and those that import into the country.

MARKET

–The Nigerian population children– adults that are non-vegetarian or Lacto-ovo vegetarian whose diet includes dairy.

–Mothers with lactation problems or in need of breast milk substitutes.

COMPETITION

Already established enterprises such as farm fresh and Habib and imported brands like Arla. This also includes companies that explore other milk substitutes and vegetarian-friendly products.

Expectations

Forecast

To make sure we are financially secure for the next few years, in the first year, funds will be raised through leasing out some parts of the land to farmers for vegetable farming. That same year young dairy calves will be purchased and they take 2—3 years to reach milk-producing age. From the 4th year, milk production will begin. In the 5th year, cowfield milk should be common in the market.

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Opportunity

Problem and solution

Problem worth solving

There are few suppliers of fortified and well-packaged dairy products in the country. Most of these dairy products are imported outside the country. For instance, importation of milk to Nigeria costs \$1.2–\$1.5 billion. Nigeria only produces about 700,000 metric tons (Mt) of milk and that falls short of the high demand. There is a need for proudly country-based and affordable dairy products for all sorts of households.

Our solution

With arable vegetable land with backward integration, Cows and good milking infrastructures, Cowfield will be able to add to the amount of milk produced and supplied in Nigeria. Many forms of dairy will be produced and this includes; butter, cheese, yoghurt and our purified cow's milk will be supplied for infant formula.

Target Market

Market size and segments:

- Nigerian households children– adults that are non-vegetarian or Lacto-ovo vegetarian whose diet includes dairy.
- Mothers with lactation problems or in need of breast milk substitutes.

Competition

Current alternatives

Most of the potential competitors are abroad based brands such as Frieslandcampina, Arla foods. Some of these brands already have a base in Nigeria.

Our Advantage

The Central Bank of Nigeria imposed a ban on imported milk. Thus with imported milk out of the Nigerian market, it has created a vacuum to be filled. Milk production and supply of dairy products is already low compared to its demand.

Cowfield products will also be affordable as lowering the costs of production will be one priority.

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Execution

Marketing and sales

Marketing plan

In the 4th year as production peaks up, the advertisement will commence. Our products will be advertised on different media forms. 60% of the marketing budget will be allocated to visual media such as television ads and social media ads, 20% allocated to audio media such as radio ads. The last 10% will be for outdoor advertising such as ads on billboards and point of sales display.

Our marketing funds will be gotten from the number of funds that were raised in the first three years of leasing out land to buyers as well as funds got from crowdfunding and partners.

Operations

Location and facilities

Most of the facilities needed are located in proximity to the dairy farm. Office and manufacturing plants will be located west of the farm and storage houses on the farmland.

Technology

Improved dairy processing equipment

Equipment and Tools

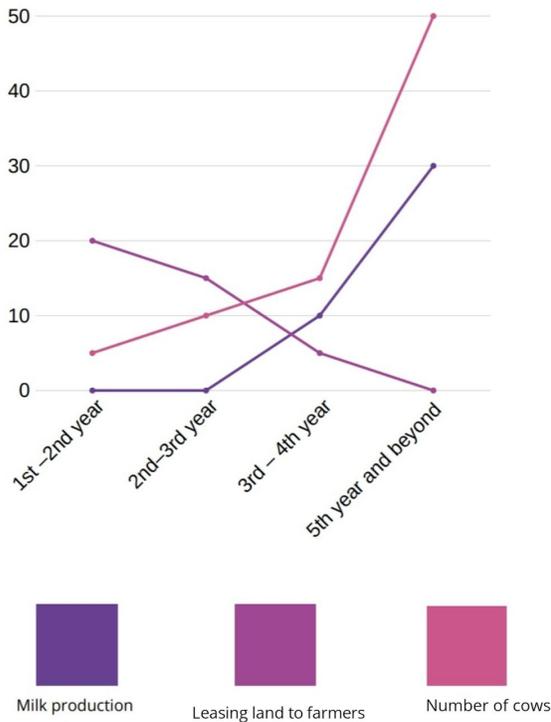
Types of equipment needed for dairy processing include Homogenizer, milk separators, Batch mixers, Aseptic storage, Continuous freezers, UHT & ESL filling & processing machinery, Batch freezers, Batch pasteurisers, Emulsifier, Non-Aseptic filling machines, CIP and washing.

For butter and cheese: Butter and Cheese processing & packaging.

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Milestones and Metrics



- Milk production will begin in 3rd year as calves will have mature into Cows and started reproducing.
- The number of cows will steadily multiply and in the fourth year, numbers should shoot up.
- Profit and returns will be noticed in the 5th year.

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Company

Overview

Cowfield is a sole proprietorship company and privately. However, it allows for inputs by its partners. Partners will be given a share of profits at the end of a milk production year according to the amount of capital they helped raise for the business.

Team

Management Team

Our management team will include:

1. Chief executive officer
2. Chief operating officer
3. Chief financial officer
4. Chief marketing officer
5. Chief technology officer
6. Storage team
7. Farm managers
8. Farm technicians
9. Utility workers
10. Human resource officer

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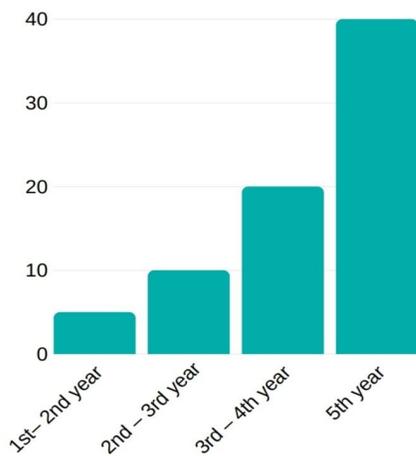
Financial plan

Forecast

Key Assumptions

These are assumed figures on the financial forecast and based on market research. Such as the average amount a bottle or gramme of dairy product is sold in the market, amount of dairy products consumed daily. Also, as supply for dairy products is low, Cowfield products will be consumed.

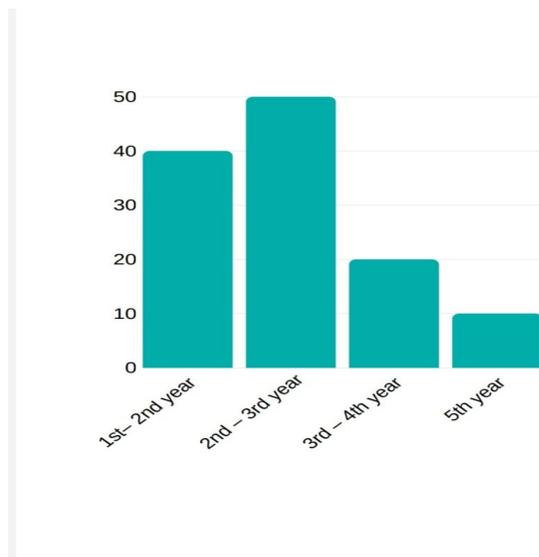
Revenue by month and year



Expenses by month and year

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Financing

Use of funds

Funds will be used for the following :

- Purchase of calves
- Purchase of equipment for the first year
- Feed for calves
- Wages for management team
- Dairy processing plant
- Other farm machines

Source of funds

- Personal investment
- Crowdfunding
- Partnerships