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Dept: Ird

Matric no: 18/sms09/022

Course code: Afe 202

Course title : Food and health awareness

Date: 20/4/20

Question

Prepare a business plan on a chosen agricultural enterprise following the guideline in the note. spiral bind and submit upon resumption. Minimum of five pages, times new roman size 12 with double spacing. Send the soft copy to me to view.

**A *FEASIBILITY REPORT / BUSINESS PLAN FOR THE DEVELOPMENT OF A TWO HUNDRED HECTARES COCOA PLANTATION AND ESTABLISHMENT OF 20 TONNES PER DAY CAPACITY OF COCOA PROCESSING IN RIVER STATE, PORT HARCOURT NIGERIA BY BNT COCOA PROCESSORS***

***The undersigned reader acknowledges that the information provided in this business plan is a confidential intellectual property; therefore the reader agrees not to disclose it to a third party without the express written permission of the promoters of the proposed business.***

***It is acknowledged by the reader that information furnished in this business plan is in all respect confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by the reader, may cause serious harm or damage to the promoters of the proposed business.***

***Upon request, this document is to be immediately returned to the promoters of the proposed business***

***Signature:BNT***

***Name:Briggs Benedict***

***Date:18/9/19***

CONTENTS OF A FEASIBILITY REPORT

. Executive Summary/ Brief Description of the Project

. Sponsorship, Management and Technical Assistance

. Market and Sales

.Technical Feasibility, Resources and Environment

. Government Support and Regulation

. Estimated Project Cost and Revenue

.Conclusion

**BNT COCOA PROCESSORS**

**1.1 Project description**

This business plan examines the possibility of and indeed economic viability of the development of a 200 hectares of cocoa plantations in River state by GOSHEN AGRICULTURAL ENTERPRISES.The farm will produce about 1,200tonnes of cocoa in a production cycle. The cocoa processing plant will process about 4,200tonnes of cocoa into edible Chocolates. There is high domestic demand for these products because of our huge population and production constraints leading to shortage of the commodity. The largest cocoa producing state in Nigeria is Ondo. Other leading cocoa producing states include Ogun, Akwa Ibom, Edo, Ekiti, Osun. Together these states along with Ondo are responsible for 60% of the cocoa production in Nigeria.

 Today, Nigeria has a single active processing plant, Ede Cocoa Processing plant, in Osun state. The factory produces a variety of cocoa products including cocoa powder, chocolate, cocoa butter, and cocoa cake. Even though a few factories remain in the region, they have produced less than 3,000 tonnes as of summer 2018, which is much lower than their factory’s capacity.

The proposed project will create economic opportunities, impact positively on the people and help conserve scarce foreign exchange. The entire cocoa to be processed will be sourced locally through direct production, contract farming in Rivers State and direct purchase from smallholder farmers in other production areas. The project will create market access, improve income of farmers and contribute significantly to food security. It will also generate satisfactory returns for sponsors and investors.

**1.2 Sponsorship**

The project is sponsored by Humble self , with assurance from various international and local Organizations.

**1.3 Management**

The management will comprise of a democratically elected Board of Directors at the apex of the organization structure. 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/President shall be responsible for the co-ordination of the day to day management of the cooperative business. He is accountable to the Board of Directors; he will mobilize organization resources to achieve set goals. He will manage business risks and focus on wealth creation.

**1.4** **Technical assistance**

The Enterprise has a working relationship with Rivers State Government, Rivers State Ministry of Agric, Farmers’ Union, Agric Cooperatives and individual farmers. The university will get technical support from this relationship in the area of production through contract farming or outgrower scheme.

The enterprise has working relationships with and linkages to industry players in the project area who will offtake products through a purchase and sale contract agreement. They include Flour Mill of Nigeria Limited, Obasanjo Farms Ltd, Animal Care, Amo Farms, Farm Support and others. The processed cocoa will be sold through cooperatives and other distribution channels. The soya sludge will be sold to players in the paints and cosmetics industry.

**1.5 Market and sales**

Market orientation: domestic; South West & South East, Nigeria

Market Share: 10% niche market in South West, South East Nigeria

Users of Products: The product is edible for humans to consume, once processed into chocolate

Also when put in the Production of soft drinks and alcohol - In the preparation of soft drinks, fresh cocoa pulp juice (sweatings) is collected, sterilised and bottled. For the production of alcoholic drinks, such as brandy, the fresh juice is boiled, cooled and fermented with yeast. After 4 days of fermentation the alcohol is distilled.

Also consumable by animals, Animal feed from cocoa husk - As pelletised dry 100% cocoa pod husk, it can be used as an animal feed. The animal feed is produced by first slicing the fresh cocoa husks into small flakes and then partially drying the flakes, followed by mincing and pelleting and drying of the pallets

**1.6 Competition analysis**

The largest cocoa producing state in Nigeria is Ondo. Other leading cocoa producing states include Ogun, Akwa Ibom, Edo, Ekiti, Osun. Together these states along with Ondo are responsible for 60% of the cocoa production in Nigeria. These regions are located in the southern part of Nigeria which produces ideal conditions for growing cocoa. The ideal location for growing cocoa around the world is within 20 degrees in either direction of the equator.

**1.7 Profitability**

The producing of cocoa and processing them into finish goods will bring about a large amount of profit to both the enterprise and the state income too,

Nigeria exports cocoa at a cheaper price to other countries, these countries now process them into finished products like chocolate and export them back to Nigeria at a very high cost, Therefore if cocoa is processed here with the aid of the enterprise, the funds given to other countries unknowingly will be minimized and bring about profit.

**1.8 Technical feasibility**

The project is technically possible because there is presently a surviving cocoa processing plant in Nigeria which is the Ede cocoa processing plant - Ede Cocoa Processing Plant, Osun State is the only attracting cocoa factory for Nigeria’s remaining five cocoa processing factories to tap export demand for butter, cake and powder. Ede Cocoa Processing Plant has no debt burden and it is now producing Nigeria’s cocoa cake, powder, chocolate and butter. This makes it easy for Nigeria’s processed cocoa to compete favorably. Ede Cocoa plant remains one of the fastest selling and most desirable agricultural commodities in the international market due to the rapid growth and expansion of chocolate confectioneries and other products.

 Through the survival of this plant it possible for cocoa to be processed into other products technologically.

**1.9 Project timeline**

The project will be completed within 5 months, from October 2019 to February 2020, because the resources and all we need will be available on ground within this period.

**1.10 Estimated cost and revenue**

1. **Land Clearing**

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity** | **QTY** | **₦** | **K** |
| Land Clearing | 1Hectare | 230,000 | 00 |
| Cross cutting | 1Hectare | 20,000 | 00 |
| Rome ploughing | 1Hectare | 50,000 | 00 |
| **Sub total** | 1Hectare | **300,000** | **00** |
| **Total** | 200Hectare | **120,000,000** | **00** |

**(B) Equipment**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name** | **QTY** | **MODEL** | **USD** | **₦** | **K** |
| Tractor | 1 | YTO-904(90hp) | 24,450  | 8,802,000  | 00 |
| Disc harrow  | 1 | IBJ- 3.0  | 3,520  | 1,267,200  | 00 |
| Sub soiler  | 1 | IS-200G  | 3,250  | 1,170,000  | 00 |
| Soy seeder  | 1 | 2BFY-6C  | 4,950  | 1,782,000  | 00 |
| Tripper | 1 | 7CX-8T  | 9,450  | 3,402,000  | 00 |
|  Combine Harvester  | 1 | 4YZ-6  | 103,500  | 37,260,000  | 00 |
| Boom sprayer | 1 | 3W-1000L-18  | 6,950  | 2,502,000  | 00 |
| Front loader  | 1 | TZ10D | 6,570  | 2,365,200  | 00 |
| **Sub total**  |  |  | **159,390**  | **57,380,400**  | **00** |

**(C) Vehicle**

**Type Model QTY ₦ K**

|  |  |  |  |
| --- | --- | --- | --- |
|  **Pick up Truck**  |  **HILUX**  | **2** | **30,000,000 : 00** |

1. **Irrigation**

**Type QTY Model USD ₦ K**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Hose Reel** |  **1**  |  **140 – 440MT** |  **28,186**  |  **1,0146,960 : 00** |

**Operating Cost**

|  |  |  |
| --- | --- | --- |
| **Working Capital** |  |  |
|  |  **₦**  | **K** |
| Ploughing/Ha |  15,000  | 00 |
| Harrowing/Ha  |  10,000  | 00 |
| Sub total  |  25,000 | 00 |
| **For 400 Ha** |  **10,000,000**  |  **00** |
| Mechanization and storage |  105,000  |  00 |
| **For 400Ha** |  **42,000,000** |  **00** |
| Input / Ha  |  91,825 |  00 |
| **For 400Ha** |  **36,730,000** |  **00** |
| Area yield insurance |  13,500 |  00 |
| Produce aggregation |  5,500 | 00 |
| Geo Spatial Service |  4,500 |  00 |
| Sub total  |  23,500 |  00 |
| **For 400Ha** |  **9,400,000** |  **00**  |
| Interest per hectare |  22,079 |  25 |
| **For 400Ha** |  **8,831,700**  |  **00**  |
| Total cost per hectare |  245,325 |  00 |
| **Total cost for 400Ha** |  **98,130,000**  | **00** |
| Loan principal and interest (cost per Hectare) |  267,404 | 25 |
| **Total for 400Ha** |  **106,961,700** |  **00**  |
| **Irrigation cost for 400Ha (excluding fixed cost)** |  **24,018,120** | **00** |

**Amortization**

 **₦ K**

|  |  |
| --- | --- |
| **Land clearing amortization (per hectare)** |  **30,000 : 00**  |
| **Land clearing amortization (200hectare)**  |  **12,000,000 : 00** |

 **REVENUE**

|  |  |
| --- | --- |
| **Yield per hectare 3tonnes@ ₦145000 per tonne** |  |
|  |  **₦ K** |
| **Revenue per hectare** |  **435,000 : 00**  |
| **For 200ha** |  **174,000,000 : 00** |
| **Net revenue for 200Ha(without amortization)** |  **67,038,300 : 00** |
| **Net revenue with amortization(400ha clearing)** |  **55,038,300 : 00** |
| **2nd Production Cycle** |  |
| **Net revenue** |  **43,020,180 : 00** |
| **Net revenue with amortization(400ha land)** |  |
| **Annual Net Revenue ( 1st + 2nd Cycle)**  |  **98,058,480 : 00**  |

**1.11 Conclusion**

The project can be achieved, it is technic

y and commercially possible.