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Banana

Bananas are very nutritious fruits and are beneficial for digestion, heart health and weight loss. It can produce for up to four cycles.

Bananas are cultivated in nearly all tropical regions of the world. Of particular importance to Africa is the East African Highland Banana (EAHB).

Executive Summary

DEC Banana Farms, plc is a world class and registered commercial farm that will be based in the outskirts of Ekiti State. This business plan examines the detailed market research and feasibility studies. A suitable farm land about 10 hectares has been secured to start our commercial banana farming. We will process and package banana and ensure that they flood the market both in Nigeria and in other countries of the world. We will be involved in both commercial banana cultivation and banana processing and packaging. We will be involved in both organic commercial banana farming and non – organic

An expected yield of 400 tonnes per hectare. There is increased demand for this product because of our large population. This project will help increase the market supply for banana

and increase the general income of farmers in the region. It will create employment for the locals.

Sponsorship

The project is sponsored by Aare Afe Babalola, a legal luminary and founder of Afe Babalola University. Aare Afe Babalola is promoting the productivity of smallholder farmers in Ado Ekiti through the Afe Babalola Farmer's Cooperative Limited. The University has a Department of Agriculture and experts with many years of experience in the project being proposed.

SALES AND MARKETING STRATEGY

Our sales and marketing team will be recruited based on their vast experience in the industry and they will be trained on a regular basis so as to be well equipped to meet their targets and the overall goal of the organization. Over and above, we have perfected our sale and marketing strategies first by networking with agriculture merchants and companies that rely on bananas as their major raw materials. In summary, DEC Banana Farms, plc. will adopt the following strategies in marketing our commercial banana farm produce;

- Introduce our business by sending introductory letters alongside our brochure to stake holders in the agriculture industry, grocery stores, banana merchants, hotels and restaurants and banana processing plants et al.
- Advertise our business in agriculture and food related magazines and websites
- List our commercial banana farms on yellow pages ads
- Attend related agriculture and food expos, seminars, and business fairs et al
- Leverage on the internet to promote our business
- Engage in direct marketing
- Encourage the use of word of mouth marketing (referrals)

Technical feasibility

The project is technically feasible. In terms of technology, we have met every need for this business to run smoothly. Suckers will be sourced from ABUAD farms a reliable agribusiness. Some of the equipments needed are Tractor Soil cultivator Plough Harrow (e.g. Spike harrow, Drag harrow, Disk harrow), Stone/Rock/Debris removal implement (e.g. Destoner, Rock windrower/rock rake, Stone picker/picker), Broadcast seeder (alternatively: broadcast spreader, fertilizer spreader, or Air seeder) Planter, Plastic mulch layer, Transplanter, Sprinkler system irrigation, Mower, Sickle, Wheel Barrow

Competitor Analysis.

It is widely produced in South and Central regions of Nigeria such as: Oyo, Edo, Ondo, Bayelsa, Delta Ekiti, Cross River, Plateau.

People will buy from us because of the following reasons:

All year round availability of our customers' choicest bananas. Fresh and highly hygienic products.

Effective customer care service. Fair and best possible prices and discount offers.

Our four major competitive advantages are:

1. All year round availability of our customers' choicest bananas. 2. Fresh and highly hygienic products. 3. Fair and best possible prices and discount offers 4 Lastly, our employees will be well taken care of, and their welfare package will be among the best within our category (start-ups commercial banana farms) in the industry meaning that they will be more than willing to build the business with us and help deliver our set goals and achieve all our aims and objective

Tariff and Import Restriction

Forex restriction on food importation and zero duty on imported agricultural equipment will favour the project under consideration.

Market Potential

There is strong demand for banana and its derivatives in the Southern and Central part of Nigeria. The state of infrastructure though not perfect still supports production and trade within Nigeria.

Government Support and Regulation

The project will align with the governments objective on diversification which also supports foreign exchange and import reduction. The project will benefit from government intervention fund in the agriculture sector. The project will also benefit from the favourable policy of zero duty for agricultural and equipment import. Restriction of forex for all food products will also widen market opportunity. The project will contribute significantly to employment, output increase, stable price and stable exchange rate

Project Timeline

The project will be completed within 6months preferably between November, 2019 to April, 2020 because land clearing is mostly done in the dry season.

7.0 Estimated Project Costs and Revenue

Fixed Cost

(A) 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	400 Hectare	3,000,000	00

(B) Equipment 1,578,744,547

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
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
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Pick up Truck	HILUX	4	60,000,000 : 00
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(D) 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 10 Ha	250,000	00
Mechanization and storage	105,000	00
For 10Ha	1,050,000	00
Input / Ha	91,825	00
For 10Ha	918,250	00
Area yield insurance	13,500	00
Produce aggregation	5,500	00
Geo Spatial Service	4,500	00
Sub total	23,500	00
For 10Ha	235,000	00
Interest per hectare	22,079	25

For 10Ha	220,792	05
Total cost per hectare	245,325	00
Total cost for 10Ha	2,453,250	00
Loan principal and interest (cost per Hectare)	267,404	25
Total for 10Ha	2,674,042	05
Irrigation cost for 10Ha (excluding fixed cost)	600,453	00

Amortization

	₦	K
Land clearing amortization (per hectare)	30,000	: 00
Land clearing amortization (400hectare)	300,000	: 00

REVENUE

Yield per hectare 400 tonnes@ ₦395000 per tonne	
	₦ K
Revenue per hectare	158,000,000 : 00
For 10Ha	1,580,000,000 : 00
Net revenue for 10Ha(without amortization)	442,015,853 : 00
Net revenue with amortization(400ha clearing)	441,715,853: 00
2nd Production Cycle	

Net revenue	429,715,853 : 00
Net revenue with amortization(400ha land)	
Annual Net Revenue (1st + 2nd Cycle)	871,431,706 : 00

Funding Mechanism

ABUAD will provide 10Ha of cleared farmland around the university and lease it to members of the cooperative

Conclusion

Banana farming in Nigeria can be a lucrative and profitable agribusiness because it could provide a year round income, and the crop recovers quickly from natural disasters