



# Business Proposal

A BUSINESS PROPOSAL FOR THE DEVELOPMENT OF A FOOD  
TRANSPORTATION NETWORK VIA AIR.

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## CONTENTS

1. Brief description.
2. Sponsorship and management.
3. Sales and markets.
4. Technical feasibility, Resources and Environment.
5. Government regulation.
6. Timelines of execution.
7. Estimated project cost and revenue.
8. Funding mechanisms.
9. Conclusion.

### Project Description.

This business plan examines the possibility and sustainability of the development and establishment of a company whose sole objective is the transportation of agricultural equipment and produce by air to various destinations all over the country. This project will have its operational headquarters at the Murtala Mohammed International airport, Lagos and would be equipped for the movement of over 20tonnes of agricultural produce

and equipment daily, using cargo planes and an executive jet sometimes, for the monitoring staff and quality assurance members of the management staff. Due to the high need for food items and other agri-business output, especially in the wake of the COVID-19 pandemic which has necessitated the provision of food and other forms of support in the agricultural sector, and reduce the effects of the consequences of the outbreak on the people and the economy. Nigeria was a high importer of almost every kind of material for any conceivable purpose, and due to the current situation, its borders are closed. This is the time for the encouragement and support of the locally made produce and equipment. There are fast springing industries for the manufacturing of heavy equipment which is necessary for progress and poverty alleviation, thus there will be a great need for faster movement of these equipment and produce across the country. This project will open up new trade routes by air and create a wealth of possibilities including the reduction of unemployment rate within the country, as it would require substantial skilled and unskilled labour in its actualization.

### **Sponsorship.**

The project is sponsored by Allen Onyema, a Nigerian lawyer and entrepreneur. He is the CEO of Air Peace airlines, which he established in 2013. Allen Onyema is promoting the agricultural sector through the startup of many farming and heavy machinery production activities to aid the development of equipment for the ease of farming. He founded and owns the

Air Peace airlines, which has a fleet of 23 aircraft. He is in a good position to invest in this business because he has experience in the aviation sector and would be able to employ the top expertise and specialty of labor required for the project implementation.

### **Management.**

The management will comprise of a Board of Directors selected by the sponsor which will be the top rung of the organization's ladder. This board would be made up of critical thinkers and goal driven members of society who are willing and able to deliver on the objectives of this business, at the same time ensuring uncompromising quality and ingenuity in their production of services for the populace and the betterment of the nation, as well as the profit of the sponsor and his shareholders.

The board will ensure that the day to day activities of the organization comply with all regulations stipulated by the concerned regulatory bodies. The Managing Director will be the overseer of this board and will report directly to the sponsor, who will be accountable to his shareholders. She will be responsible for the mobilization and effective utilization of the resources needed for the progress of the business and its maximum profitability.

### **Technical Assistance.**

The organization will have a close working relationship with the management staff of Air Peace Limited and all its aviation sector subsidiaries, due to the

wealth of experience on the necessary prerequisites for the actualization of the goals of the project. This relationship will be effected through an executed Memorandum of Understanding (MOU). The airline has a mandate to provide a variety of air services, thus they will provide the technical assistance required by the organization. The airline and the sponsor have working relationships with various financing institutions to facilitate quick development and support. Besides its banking affiliations, Allen Onyema's (The Sponsor) organization has business partners and shareholders in the agricultural sector, which would support the project further, with their combined resources and expertise.

### **Sales and Markets.**

Market orientation : Domestic; All geopolitical regions, starting with the South-West region.

Market share : 80% niche market in the Country.

Users of products : Farmers use the machinery for crop provision, consumers buy for feeding processes.

### **Competition Analysis.**

There is significantly little or no competition in this sector, because the aviation industry is yet to commence large scale agricultural transportation of goods and machinery. Therefore it is seen that the demand is a lot more than supply in this regard.

### **Tariff and Import Restriction.**

Forex restriction on importation of crops and subsidization of machine parts and industrial working equipment, as well as the waiving of registration fees in favour of the project, are ways the Government can support the project.

### **Market Potential.**

There is a very strong demand for agricultural equipment and automated farming facilities all over the country, as well as food substances and various cash crops. Transportation of these equipment and produce over land would be tedious and also take a lot of time, as a result of bad roads, banditry and other problems being faced by the country on the security front. Thus, this project has a high market potential by increasing the ease with which these crops and machinery are transported and the speed, by getting them to their destinations in the shortest possible time.

### **Profitability.**

There are a variety of factors that could affect both the manufacture of equipment and the transportation of same with the aid of cargo planes, primary of which are Weather conditions and all risks involved in crop production. However, there are technical and scientific methods of minimizing risk and maximizing profit.

### **Technical Feasibility.**

In the area of technical feasibility, the project is viable. In terms of technicalities, we have highly trained and experienced pilots flying the planes, as well as seasoned engineers supervising and participating in the production of the required machines for agricultural purposes. There is no major competition, as this would be the pioneer actualization project on a large scale in the concern sector.

### **Government Support**

The project conforms with the needs of the government to diversify the economy and become self sufficient, thereby increasing exportation and reducing the pressure on the crude oil sector. It tilts the economic scale in the direction of stability and may pull the Nigerian economy out of the impending recession by increasing the speed of movement and ease of doing agribusiness.

### **Project timeline.**

The project will take an estimated 5 to 10 years to reach full operational capacity, due to the wait-time for the procurement and delivery of brand new and standard aircraft, and also the time taken for production of tractors, bulldozers and other agricultural machinery. This timeline would most likely be from August 2020 to August 2025.

### **Estimated Project Costs and Revenue.**

The major forms of expenditure on the project include : Purchasing a space (hangars) at the airport for maintenance and storage of aircraft, Ordering 10 new cargo plans, leasing 5 cargo planes from the Air Peace fleet for the startup of the project, purchasing land for the setup of an industrial machinery production plant, purchasing production equipment and processing materials, payment of initial workers wages and other miscellaneous costs. All of this would amount to the sum of One Billion Dollars (\$1,000,000,000).

**Note: For a more-detailed breakdown, please send an email to the office of the proposer.**

### **Funding mechanism.**

Air Peace Limited will provide a temporary hangar space for the storage of the aircraft and lease it to the Startup Organization, and Mr. Allen Onyema will also lease 300 hectares of land for the production plant. The rest of the capital would be secured through government intervention and loans from the Aviation Bank and Central Bank of Nigeria.

### **Conclusion.**

The project is technically feasible, commercially viable and promises a high turnover if properly implemented. It is therefore recommended for funding.