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**Business Plan for the Development of a Plant for the Production of  
Corn Starch, Corn Syrup and derived Products in Kaduna.**

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### The Project Summary.

This plan examines the feasibility of build a corn refinery plant in Kaduna near the corn plantations as a new enterprise. The plant would be producing corn starch, corn syrup amongst other products from corn raw materials. The plant would place special priority to the production of high fructose corn syrup. Which is a cheap alternative to the slowly rising prices of sugar. Nigeria is the largest producer of corn in Africa, hence, the supply of corn as raw materials would be cheap. Kaduna has significant maize plantations. So the positioning of the plant in Kaduna takes advantage of the maize supply, allowing for the cheap transportation of corn to the plant.

We project a quick rise I demand because there would be little competition in the first few quarters of production as it is a relatively new market in Nigeria. The project will take advantage of the lack of competition in the market. While corn syrup is comparatively cheaper than sugar, it is largely imported only for the few baking and brewing industries that can afford the imported products in addition to the added taxes placed on the goods. We have plans of distributing the refined sweetener in a variety of forms, including a powdered form, which would be more portable and similar to granulated sugar in such a way that it may compete with it in the consumer market.

We also plan to expand the business, using the sweeteners to produce sweets and candies to increase our market diversity.

### Sponsorship, Management, and Technical Assistance.

This is a private enterprise venture: it is intended to get loans for building the plant and we intend to take loans from the Bank of Agriculture. We would also meet and persuade a number of private agriculture investors for investments and loans. We have visited and discussed the feasibility of building a corn refinery plant with a number of engineering consultants. It would be an expensive endeavour, but the projected sales would allow us to break-even relatively quickly.

### Management

We plan to hire experts in the fields of agriculture, agronomics and marketing to manage the firm. This is done to ensure that the choices made are at least the most educated choices possible for the firm. Because we also plan to diversify into food production as well, it would be beneficial to have some catering professionals working in the management.

The major business decisions and projects would be handled by a board of directors who would be selected by the business owners, who will be responsible for the creation of wealth, based on the advice of the employed experts.

### Technical Assistance

As mentioned previously, we intend to employ workers who studied agronomics, agriculture, catering and food sciences, placing experts in positions of management. These employees provide knowledgeable advice and reasoning: which would be vital in future projects and competitions which are bound to happen in the future. We would also hire engineers and other technical workers who handle the care and maintenance of factory equipment. The packaging of our products may require help from other enterprises, and we may need to make deals with other businesses as we grow.

We would also pay a number of agents to help us look for potential places where demand for syrup would be high and places we are not likely to profit from. This would allow us to create a deal with the appropriate transport delivery firms. This deal, however, will likely be a short term deal as we only intend to limit initial costs of starting business. This would allow us to break even quicker.

We would also pay advertisement firms to advertise our products to firms and consumers. This is important as corn syrup is an underdeveloped market in Nigeria. It would be required to raise consumer awareness of the product within the country to further increase demand for the product.

## Market and Sales

Among the products we plan to produce are corn starch, corn syrup, ethanol, and adhesives. Our initial products would be corn starch and corn syrup, which would be mass produced in order to reduce initial costs of production. Later on, we shall diversify, producing other corn products, before moving to food production.

We aim for complete distribution in Nigeria, particularly the south-west, which has a huge density of food manufacturing plants. With time, we would also begin to export our products to neighbouring countries.

Our target includes the beverage and brewing companies, consumers who buy sugar, carpentry firms (once we begin to produce corn-derived adhesives), and food manufacturing firms.

We also expect to make sales for a couple of reasons:

- Corn starch and syrup are efficient to manufacture and are therefore cheap.
- High Fructose Corn Syrup (HFCS), a derivative of corn syrup is as sweet as granulated sugar (some say even sweeter). Because it is much cheaper than sugar, it would create a competitive alternative to sugar. From an economic standpoint, demand is to be expected.
- We have noticed the slow rise in the price of sugar, this is particularly troublesome for manufacturers, who are trying to minimize costs. It would be easy to make deals with these firms to supply syrup to them.
- There are no major producers of corn syrup. By being a pioneering firm, we would be able to secure a stable demand for the first few quarters.
- Corn residues are a by-product of our manufacturing process. We could sell these residues to livestock farms at cheap prices, making additional income from our waste.

Hence the idea of sales only requires good marketing on our part.

## Competition Analysis

As mentioned multiple times before, There are no major producers of corn starch, syrup and related products. Therefore, there is little to no competition in our market. Though it is likely that there would be more firms joining the market once it is noted the lucrative businesses possible in the corn production industries. We would therefore make appropriate preparations, diversifying our products and marketing the products in order to grow a market sufficiently loyal to our products.

### Tariffs and Customs Restrictions.

The nature of international restrictions on related products are relatively insignificant, since we mostly use local produce. However, since we are importing the materials for the initial construction of our plant. We will factor that into the initial costs. Also, it would also become an issue during exportation of our products. We would make financial decisions depending on the environment at that time.

### Market Potential

This firm has a great market potential:

- As fore-mentioned, there is no competition in the corn products industry.
- Corn syrup can be distributed as a cheaper alternative to sugar.
- Corn syrup is in projected high demand by food producing firms.

Thus, there is significant potential in this venture.

### Profitability

The aim is to break even as quickly as possible, we plan to do this within three agricultural seasons. To achieve that, we will only initially invest in a corn syrup manufacturing plant. Once we've broken even, we would then begin to make profit.

### Technical Feasibility

The project is feasible, provided that we limit our initial investments into the business. With the high demand for a cheaper alternative to sugar, there is little doubt of the potential of the market.

### Project Timeline

We will begin with the construction of the plant on 16 hectares of land, which would take about two years to complete. Then we purchase our first batches of corn, during the corn harvest. Then we process the corn to corn syrup and distribute them with sufficient marketing to the product consumers. We plan to break-even within three corn harvests.

### Project costs.

#### Initial Costs

Required factors	Cost
Land (16 Hectares)	₦ 3 200 000.00
Corn Syrup Plant	₦ 5 000 000.00

Corn Materials	₦ 1 000 000.00
Maintenance of Equipment	₦ 800 000.00

Deals	Cost
Transport Deals	₦ 1 500 000.00
Advertisement Deals	₦ 2 000 000.00

### Conclusion

We have done a lot of research into the corn industry, looking at how it is done in America, and investigating the need of cheap sweeteners with the help of agents. We have been able to confirm the relatively low risk of this pioneering business.