NAME: AZEEZAT MORENIKE BALOGUN

MATRIC NUMBER: 18/SMS09/018

COURSE: AFE 202 FOOD AND SECURITY STUDIES

DEPARTMENT: INTERNATIONAL RELATIONS AND DIPLOMACY

QUESTION: PREPARE A BUSINESS PLAN ON A CHOSEN AGRICULTURAL ENTERPRISE.

**Confidentiality Agreement**

The undersigned reader acknowledges that any information provided by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ in this business plan, other than information that is in the public domain, is confidential in nature, and that any disclosure or use of same by the reader may cause serious harm or damage to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_. Therefore, the undersigned agrees not to disclose it without express written permission from \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Upon request, the undersigned reader will immediately return this document to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Signature

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Name (typed or printed)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  
Date

This is a business plan. It does not imply an offering of securities.

**EXECUTIVE SUMMARY**

**BUSINESS OVERVIEW**

RENI’S FRUIT BUNCH (RFB) is a new farm, located within the temperate climate of Plateau state that specializes in fruit farming. We partake in the production, distribution and sales of high quality, nutritious, flavorful and organically cultivated fruits.

**Product description**

Our fruits are organic and affordable which ensures availability and healthy nutrition to every Nigerian.

**Business Goals**

In two years, RFB should be the top fruit producer in the North Central. In the next five to ten years, the top fruit producer and supplier in Nigeria.

**Our proposed target market**

Our target customers are Nigerians in our immediate and remote areas as well as companies and restaurants which produce fruit juice.

**Our competition and what differentiates our business.**

Our major competition is Afri fruits Limited. We are sure to succeed in the market because we provide cheaper and organic fruits that are affordable to an average Nigerian in contrast with Afri fruits that are only affordable to the rich.

**Our management team and their prior experience**

RENI’S FRUIT BUNCH is managed by the CEO, Dr. Azeeza Balogun. She is a Registered Dietitian Nutritionist (RDN) with a Master’s degree in Medical nutrition therapy and a Doctorate degree in Advanced Nutrition. With such qualifications and expertise, we are able to make dietary assessments of the Nigerian population and provide them with necessary fruits to ensure healthy living. Our management team along with the CEO comprises of Fruit specialists, Specialised fruit farmers and other experienced agro-allied specialists. This combined expertise gives us an edge as a company and over our competitors as well.

**GOVERNMENT SUPPORT AND REGULATION**

The project conforms with the economic diversification objective of the government. It also supports foreign exchange and import reduction conservation of government. It creates economic opportunities, market access, improved income for farmers and support food security objective of government. The project will benefit from government intervention fund in the agriculture sector. The project will also benefit from the favorable 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

|  |  |
| --- | --- |
| **Business Name** | RENI’S FRUIT BUNCH |
| **Company Mission Statement** | TO ENSURE HEALTHY LIVING |
| **Company Philosophy/**  **Values** | INNOVATION, COMMUNITY AND NUTRITION |
| **Company Vision** | TO PROVIDE HIGH QUALITY, FLAVORFUL AND NUTRITIONAL FRUITS FOR CONSUMPTION IN BOTH NEAR AND REMOTE AREAS IN NIGERIA |
| **Goals & Milestones** | 1. TO BECOME THE TOP FRUIT PRODUCER IN NIGERIA 2. SIGN CONTRACTS WITH AT LEAST 5 FRUIT JUICE PRODUCING COMPANIES 3. KEEP STATISTICS OF CONSUMERS’ HEALTH AND ENSURE ITS RISE 4. ESTABLISH A SECOND FARM IN CROSS-RIVER STATE 5. EXPORTATION OF FRUITS TO NEIGHBOURING COUNTRIES   2.  3. |
| **Target Market** | ALL NIGERIANS, FRUIT JUICE PRODUCING COMPANIES |
| **Industry/**  **Competitors** | 1. AFRI FOODS LIMITED   3. |
| **Legal Structure/**  **Ownership** | LIMITED LIABILITY COMPANY |

**Products & Services**

**Company’s products**

Reni’s Fruit Bunch plans to concentrate on fruits as its primary product. This includes growing apples, pears, oranges, grapes, pineapples, strawberries, kiwis, guavas, mangos, avocados and blackberries. The company's farm will have a capacity sufficient to produce in excess of 100,000 lbs. of fruits per year.

The company plans to utilize traditional and more advanced plant technologies to produce new cultivars of strawberries and kiwis with locally-adapted superior characteristics for the North-Central growing area. This strategy will allow Reni’s Fruit Bunch to produce crops during most of the year.

**Tariff and import restrictions**

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

**The problem our product solves**

We at Reni’s Fruit Bunch are focused on providing and supplying high quality and nutritious fruits to the middle and lower class Nigerian to ensure healthy living in the society unlike our competitors who are focused on the upper class of the society. This gives us an edge because majority of Nigeria’s population consist of the middle and lower classes, also, everyone likes high quality goods at cheap prices. We solve the problem of fruit juice producing companies who have to import fruits at high costs for production. RFB is ready to supply these companies with fruits locally and at an affordable price. Finally, RFB is aimed at reducing unemployment rate in Nigeria, through our retail channels, individuals will be encouraged to sell fruits on the streets and even open their fruit stores with us as their suppliers.

**MARKET AND PRICING**

Market Orientation: Domestic and International

Market analysis: The annual national demand for fruit juices is presently estimated at 550 million litres, but the current supply is estimated at 135 million litters which represent less than 25% of the demand, the Raw Material and Research Development Council (RMRDC) of Nigeria has said. With this report, Reni’s Fruit Bunch is sure to excel in the fruit production market and increase the supply of fruit juice in Nigeria.

Market share: 30% niche

Pricing Strategy: Cost Plus Pricing Strategy

Direct material cost + Direct labor cost + Overhead costs

**PROFITABILITY**

Nigeria as a country has vast arable land, good climate and resources that are advantageous in growing fruits. The high consumption of fruits in rural and urban areas has made fruit farming very lucrative. Yet fruit farming has little competition because few people are into commercial fruit farming because they are highly perishable. Nigeria’s ever increasing population is providing enough market for fruit consumption. It is also a method for job creation as more people now sell fruits on the streets. Reni’s fruit Bunch is sure to make profit due to all these factors above.

**Operational Plan**

Production: Labour and capital intensive methods

**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 |
| Soil 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 |

**Vehicle**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| TYPE | MODEL | QTY | **₦** | K |
| TRUCKS | TOYOTA HILUX | 5 | 30,650,000 | |

**Green house**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **TYPE** | **QTY** | **PRICE(USD)** | **AMOUNT** | **DESCRIPTION** |
| Pre-cut wood | **80** | **1.90** | **152** | **Spruce wood (with Vernier finish)** |
| Glass (double pane) | **200** | **6.66** | **1320** | **Heat strengthened glass (2x8”, 2x7”)** |
| Polycarbonate | **60** | **5.00** | **300** | **Multiwall polycarbonate sheets** |
| Benches | **300** | **15.00** | **4500** | **For Pot plants** |
| Polyethene | **80** | **7.50** | **600.8** |  |
| PVC fabric | **80** | **8.00** | **640** |  |
| Fiberglass | **120** | **12.00** | **1440** | **Toughened** |
| Pot plants | **1050** | **40.27** | **42,283.5** | **Black** |
| Concrete(porous) | **30** | **20.00** | **600** | **porous** |
|  | | | | |

Quality control Method

**Inspection:**

Inspection means checking the product through visual or testing examination, at the input stage, transformation stage or output stage, against standards. The task of carrying out inspection is inspection function and the people who perform inspection are called inspectors. Inspectors measure quality of goods against standards and separate acceptable units from the non-acceptable ones. At Reni’s Fruit Bunch where we’re focused on providing high quality goods,100 per cent inspection will be carried out. It involves inspection of each and every item of products. It nullifies the chances of passing the defective items and is more accurate.

This helps us investigate into matters like ‘why an unacceptable product has been produced’ and take corrective action. It locates the sources and causes of defects and takes preventive action to avoid their occurrence.

Location

Plateau state, Nigeria

Size: 1000 acres

Type of building: industrial

**Land Clearing**

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity** | **QTY** | **₦** | **K** |
| Land Clearing | 1000 acres | 500,000 | 00 |
| Cross cutting | 1000 acres | 200,000 | 00 |
| Rome ploughing | 1000 acres | 150,000 | 00 |
| **Sub total** | 1000 acres | **350,000** | **00** |
| **Total** | 1000 acres | **850,000** | **00** |

**FUNDING MECHANISM**

Reni’s Fruit Bunch (RFB) project is funded by the CEO, Dr. Azeeza Balogun and other investors. We will be making use of the factors of production we pulled in with the help of our investors, with enough capital to start, our method of production is mostly labor intensive. However, the use of machines and other innovations will be employed.

**CONCLUSION**

The project is technically feasible and commercially viable.