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Course Code: Afe 202

Course Title: Food Production and Health Awareness

Question: Prepare a business plan on a chosen agricultural enterprise

Business Plan on Peach Farm

EXECUTIVE SUMMARY

Feasibility Study on the establishment of a peach farm is based on the survey made by Naomi and the business will be wholly owned by her. The name of the peach farm will be named Peaches and Cream and will concentrate on sales of peach fruit.

We will supply peaches to different quick service restaurants and factories in south west Nigeria and our vision is to be the top peach supplier in Nigeria with a mission to produce organic, natural and nutritious peaches at a very profitable price.

From the research that was carried out it was discovered that the demand for peaches is not satisfied around Lagos, though there are already existing peach farms operating around borders of Lagos and Ogun state environment, the peach farm will be sited at Magboro Local government area in Ogun state a neighbouring environment to Lagos, there is also demand in some part of Magboro, Sango and various part of Lagos. These legal requirements for the establishment of this venture such as local government revenue (tax) per month and security payment (vigilante) per month have been inquired and will be carefully complied with.

The venture will help in providing employment to the locals meeting the demand of peaches and making the price affordable in future, Peaches and Cream intends to develop into other fruits farming structures such as Apples, Pears, Oranges and Berries.

STRATEGY AND IMPLEMENTATION SUMMARY OBJECTIVE

- To increase number of our clients by 20% within 2 years of existence
- To increase our output percentage within a short period of time
- To evaluate our strategic marketing by every three months

- To keep and maintain hygienic farms for healthy peach trees

TACTICS AND STRATEGY IMPACTS

Peaches and Cream products will be priced at affordable rate. When a mark-up is placed on any of our products, customers will be willing to pay because of the affordable price. The venture to be established is a peach farm that will concentrate on the production of peaches and sales of peaches, because of the fund required the venture will start as a small scale business having the population of the people neighbouring communities and three major Local Government Area of Lagos, which are Alimosho, Agege, Ifako – Ijaiye and Ikeja are target market. The farm site will be a permanent land and will need necessary equipment for its operation as it is entirely new firm to start from the scratch, will have to be acquired.

OPERATIONAL PLAN

The firm will be a commercial peach farm; therefore it will require a full time labour and geared towards productivity on a scale for the sales of peaches .

For peach production, trees usually starts to be fruitful at 3-4 years of planting and continue to produce fruit for 12 to 15 years with a peak at the 8th year. It is a biannual plant and would require harvesting twice a year.

MARKET POTENTIAL

Most meals in Nigeria is not complete without fruits like peaches. Nigeria has over 170 million growing population that demand for peaches on a daily basis. With increasing awareness on health implication of nutrients deficiency they are ever increasing demand for fruits and vegetables.

MARKETING STRATEGY

As we mentioned earlier, resident and families of three local government of Lagos being our target market awareness will be made by means of advertisement. The advertisement will be made on flyers, handbills, and in the future marketing will be done to eateries, restaurants and companies and factories that demand for our product. Our major market in the future are peach supplied to Restaurants, major bakers, markets, sweet and juice factories.

MARKETING

Marketing activities include among other grading quality, promotions, packaging and value adding these activities are essentials as they will lead to large volume of sales of product quickly as possible resulting to increase of income.

GRADING

Peaches should be graded by size and labelled according to its weight and size. During selection and grading, care must be applied to ensure that weight is uniformed to avoid rejection from customers.

BUSINESS EVALUATION OF FARM/FINANCE

CAPITAL EXPENSES

2 plots of land @ N100,000		N200,000
Block 2000 pcs @ N120		N240,000
Cement 80 bags @ N2500		N200,000
Cement Carriage		N5,000
Woods		N190,000
Roofing Sheets		N180,000
Roofing Slate		N54,000
Ceiling Slate		N19,000
Reggie's		N7,000
Nails		N18,000

Net 15 bundles @ N4000		N90,000	
Total		1,203,000	

SANDS

Stone Big 2 tipper @ N25,000		N70,000	
Sharp sand (Mayans)		N20,000	
Soft Sand		N30,000	
Total			N120,000

TOOLS

Peach seeds	20,000
Manure	50,000
soil	100,000
Irrigation	100,000
Hoe & Head pan	2,000
Wheelbarrows	8,000
Scale (Digital)	10,00
1.5KVA Generator set	100,000

WORKMANSHIP

Carpenter		N85,000	
Bricklayer		N90,000	
Miscellaneous		N130,000	
Total			N305,000

OPERATIONAL EXPENSES

Business Registration	N20,000
Upkeep, seeds and treatment	N1,500,00
Salaries and stationeries	N350,000
	N1,870,000

SUMMARY

Capital expenses		N2,418,300
Operational expenses		N1,870,000
TOTAL EXPENSES		N4,288,300

TOTAL SALES FOR PERIOD OF 12 MONTHS

Peaches N9, 108,000

PROFIT = SALES – EXPENSES

During peach production, the expenses are half of sales of peach will go in for upkeep and other operational expenses. i.e. N6,162,000 divide by 2

9,108,000= N4,554,000

The profit of peaches for the period of 12 months = N4,554,000

Total profit = N4,554,000

CONCLUSION: The project is technically feasible and commercially viable. It is therefore highly recommended for funding.