Umealor Somadina 18/ENG06/069 FOOD AND HEATH AWARENESS AFE 202

**BOTANICAL COUNTRY**

**A BUSINESS PLAN FOR THE DEVELOPMENT OF an AGRICULTURAL PLANT FARM WORTH THREE HUNDRED HECTARES AT SOY UNIVERSITY, LAGOS ISLAND.**

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CONTENTS

1. Executive Summary/ Brief Description of the Project

Sponsorship, Management and Technical Assistance

1. Market and Sales
2. Technical Feasibility, Resources and Environment
3. Government Support and Regulation
4. Timelines of Projects
5. Estimated Project Cost and Revenue
6. Funding Mechanism
7. Conclusion

**EXECUTIVE SUMMARY**

This business plan examines the feasibility of and indeed economic viability of the development of a 300 hectares of agricultural farm inbuilt in Soy university, Lagos island. The farm will produce 50 hectares of barley, 5 hectares of hibiscus, 5 hectares of gold leaf, 5 hectares of purple flower and 15 hectares of white grass in production cycle.

**Sponsorship**

The project is sponsored by Professor. Umealor Somadina a dignitary entrepreneur and founder of Professor. Umealor Somadina Soy University . Professor. Umealor Somadina is promoting the productivity of smallholder farmers in Lagos.

**Management**

The management will comprise of a democratically elected Board of Directors at the apex of the organization structure. This will be made up of shareholders and member of the cooperative who have stake in the survival, growth and profitability of the business as well as distinguished agribusiness professionals of proven integrity and vast experience in the project area.

**Technical Assistance**

The university has working relationship with IPA ( Institute of plant Agriculture, Lagos) through an executed AAT . IPA has mandate in Soya beans production and processing and will provide technical assistance in this regard.

to industry players in the project area who will offtake products through a purchase and sale contract agreement.

**Market and Sales**

Market orientation: domestic; South West & South East, Nigeria

Market Share: 5% niche market in South West, South East Nigeria

Sales of product: Barley 2% for beer, 0.5% for hibiscus, gold leaf and flower.1.5% for white grass

**Competition analysis**

Anambara alone produced 44% of national output between1999 and 2017. Kaduna State followed with 27% of national output within the period. Jigwa, Akwa, Kano and Katina produced 6% and below in the period. The seven state mentioned above produced 94% of national output within the period.

**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 barley derivatives in the Southern part of Nigeria. The state of infrastructure though not perfect still supports production and trade within Nigeria.

**Profitability**

Weather, biological, chemical, physical and environmental factors such as temperature, sunlight, water, air, soil conditions, varieties of seed, pests, diseases, price fluctuations and other risks e.g. cow invading the farm could affect yield and profitability

**Technical Feasibility**

The projects (production of **barley** and beer extraction) are technically feasible. In terms of technology, which involve the crushing of **barley** seed and extraction of oil, the industrial processes are simple and a specialist in oil extraction with more than 20years experience is part of our team.

**Government Support and Regulation**

The project conform 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.

**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 | 0 |  |  |
| Cross cutting | 1Hectare | 20,000 | 0 |  |  |
| Rome ploughing | 1Hectare | 50,000 | 0 |  |  |
| Sub total | 1Hectare | 300,000 | 0 |  |  |
| Total | 300 Hectare | 9,000,000 | 0 |  |  |
| (B) Equipment |  |  |  |  |  |
| Name | QTY | MODEL | USD | ₦ | K |
| Tractor | 1 | YTO-904(90hp) | 25,000 | 8,802,000 | 0 |
| Disc harrow | 1 | IBJ- 3.0 | 2,000 | 1,267,200 | 0 |
| Sub soiler | 1 | IS-200G | 3,000 | 1,170,000 | 0 |
| Tripper | 1 | 7CX-8T | 9,000 | 3,402,000 | 0 |
| Combine Harvester | 1 | 4YZ-6 | 102,000 | 37,260,000 | 0 |
| Boom sprayer | 1 | 3W-1000L-18 | 6,950 | 2,502,000 | 0 |
| Front loader | 1 | TZ10D | 7,000 | 2,365,200 | 0 |
| Sub total | 7 |  | 154,950 | 57,380,400 | 0 |
| (C) Vehicle |  |  |  |  |  |
| Type Model QTY ₦ K |  |  |  |  |  |
| Pick up Truck | HILUX | 2 | 30,000,000 : 00 |  |  |
| Operating Cost |  |  |  |  |  |
| Working Capital |  |  |  |  |  |
|  | ₦ | K |  |  |  |
| Ploughing/Ha | 15,000 | 0 |  |  |  |
| Harrowing/Ha | 10,000 | 0 |  |  |  |
| Sub total | 25,000 | 0 |  |  |  |
| For 300Ha | 10,000,000 | 0 |  |  |  |
| Mechanization and storage | 105,000 | 0 |  |  |  |
| For 300Ha | 42,000,000 | 0 |  |  |  |
| Input / Ha | 91,825 | 0 |  |  |  |
| For 300Ha | 36,730,000 | 0 |  |  |  |
| Area yield insurance | 13,500 | 0 |  |  |  |
| Produce aggregation | 5,500 | 0 |  |  |  |
| Geo Spatial Service | 4,500 | 0 |  |  |  |
| Sub total | 23,500 | 0 |  |  |  |
| For 300Ha | 9,400,000 | 0 |  |  |  |
| Interest per hectare | 22,079 | 25 |  |  |  |
| For 300Ha | 8,831,700 | 0 |  |  |  |
| Total cost per hectare | 245,325 | 0 |  |  |  |
| For 300Ha | 98,130,000 | 0 |  |  |  |
| Loan principal and interest (cost per Hectare) | 267,404 | 25 |  |  |  |
| For 300Ha | 106,961,700 | 0 |  |  |  |
| For 300Ha | 24,018,120 | 0 |  |  |  |
| REVENUE |  |  |  |  |  |
| Yield per hectare 3tonnes@ ₦145000 per tonne |  |  |  |  |  |
|  | ₦ K |  |  |  |  |
| Revenue per hectare | 435,000 : 00 |  |  |  |  |
| For 300Ha | 174,000,000 : 00 |  |  |  |  |
| Net revenue for 300Ha(without amortization) | 67,038,300 : 00 |  |  |  |  |
| Net revenue with amortization(300ha clearing) | 55,038,300 : 00 |  |  |  |  |
| 2nd Production Cycle |  |  |  |  |  |
| Net revenue | 43,020,180 : 00 |  |  |  |  |
| Net revenue with amortization(300ha land) |  |  |  |  |  |
| Annual Net Revenue ( 1st + 2nd Cycle) | 98,058,480 : 00 |  |  |  |  |
|  |  |  |  |  |  |

**Funding Mechanism**

The board will provide 400Ha of cleared farmland around the university and lease it to members of the cooperative. WE will also lease 6,000MT capacity silo as equity contribution on all expenses.

**Conclusion**

The project is technically feasible and commercially viable. It is therefore recommended for funding IN SOY UNIVERSITY.