ASALEM ALABO JOSHUA

18/ENG06/007

MECHANICAL ENGINEERING

AFE 202

CONFIDENTIALITY AGREEMENT

The undersigned reader acknowledges that the information provided in this business plan is a confidential intellectual property; therefore the reader agrees not to disclose it to a third party without the express written permission of the promoters of the proposed business.

It is acknowledged by the reader that information furnished in this business plan is in all respect confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by the reader, may cause serious harm or damage to the promoters of the proposed business.

Upon request, this document is to be immediately returned to the promoters of the proposed business.

Signature

Name: ASALEM ALABO JOSHUA

Date:

**CONTENTS**

1. Summary/ Brief Description

2. Sponsorship, Management and Technical Assistance

3. Market and Sales

4. Technical Feasibility, Resources and Environment

5. Government Support and Regulation

6. Timelines of Projects

7. Estimated Project Cost and Revenue

8. Funding Mechanism

9. Conclusion

 **AN AGRICULTURAL BUSINESS PLAN FOR DEVELOPMENT OF A BOTANICAL BOUNTY, LAGOS**

 **STATE, NIGERIA**

**Executive Summary**

Botanical Bounty is an existing farm dedicated to the production of botanical perennials.

 Botanical Bounty has been formed as an Oregon-based Limited Liability Corp. (L.L.C.) located

outside of Albany, Oregon. Botanical Bounty is working hard to become a leading producer of

botanical plants for the natural supplement industry as well as plant nurseries. By leveraging a well thought out business plan executed by a skilled management team, Botanical Bounty will generate over $216,000 in year three sales.

**Sponsorship**

The project is sponsored by JOSEPH UKPONG, a legal luminary and founder of Ceunitonic farm; a poultry business. JOSEPH UKPONG is promoting the productivity and existence of small scale /large scale agricultural business all over Nigeria.

**Management Team**Botanical Bounty will be lead by the husband and wife team of David and Sue Nealon. David brings a wealth of business and project management skills to the company. While working at Yahoo!, David was responsible for the successful launch and market lead capture of Yahoo!s driving directions section. Utilizing these skills, David will be responsible for the business operations of the farm. Sue, with a background of plant biology will be the driving force of the operation, growing the highest active ingredient content plants in the country. Additionally, because of her wealth of knowledge, she will be the leader of the sales department.

**Technical Assistance**

The business has a relationship with African Daisy garden plant. African Daisy grow a lot of perennial plants with different varieties. And therefore give a form of assistance.

**Products**Botanical Bounty is a 10 acre farm that concentrates on the growing of botanical medicinals. Botanical Bounty has chosen five plant species that have significant market demand as well being well suited for growth in the Willamette River Valley. Botanical Bounty will feature: Echinacea - an immune system booster; Ginseng - a source of energy; St John's Wort - for mild depression; Skullcap- for inflammation; and Ginger - a stomach soother.

**Market/sales**
Botanical Bounty has three distinct customers: supplement companies, processors of botanicals for supplement companies, and nurseries that resell the plants. The first two customers purchase the plants for use in their products which they ultimately sell to the end consumer. The market for natural supplements is quite exciting. Surveys show that over 158 million consumers (over 55% of U.S. population) use dietary supplements. An estimated 115.3 million consumers buy vitamins and minerals for themselves, and 55.8 million purchase them for other members of their family, including children. Consumer surveys consistently find that nearly half of all Americans now use herbs - a statistic that is particularly remarkable when we realize that today's herbal products industry is just over a quarter century old.

**Competition analysis**

There are not much competition found but few countries like South Africa and Canada produce 10% and 5% of similar products. Nigeria has dominated the market(70%) with US being the highest consumers and buyers. And the botanical bounty is based in Lagos, so will satisfy consumers within and outside Nigeria.

**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 botanical medicals both in Nigeria and outside Nigeria eg US. The state of infrastructure though not perfect still supports production and trade within and outside Nigeria.

**Profitability**

Weather, biological, chemical, physical and environmental factors such as temperature, sunlight, water, diseases, g, price fluctuations and other risks . However, technical, scientific and financial based solutions will be employed to hedge against risks and safeguard profit.

**Technical Feasibility**

In terms of technology, the botanical bounty will require various natural and artificial gardens with a machine regulator and other machines, which is already in place . Also large amount of skilled labour were employed. A lot of materials and transporting machines were also provided. The needed equipment for botanical bounty are readily available and our experts have hand on experience in the usage and maintenance of the equipments.

**Government Support and Regulation**

The project conform with the economic diversi fication 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 favourable 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.

**Project Timeline**

The project will be completed within 2 years preferably between july , 2020 to August, 2022

**Estimated project costs and revenue**

**Fixed cost**

**(**A)**Land clearing**

|  |  |  |  |
| --- | --- | --- | --- |
| Activity  | QTY |  ₦ | K |
| Land clearing  | 300SqM | 200,000 | 00 |
| TOTAL | 300SqM | 200,000 | 00 |
|  |  |  |  |

(B) **Equipment**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Name | QTY | MODEL | USD |  **₦** | K |
| Artificial gardens | 8 |  | 1,047 | 400,000 | 00 |
| Breeding machines | 5 | Fp5242-00-SD | 393 | 150,000 | 00 |
| Aeration  | 10 |  | 7000 | 2,695,788 | 00 |
| Cutting Machines | 12 |  | 4,950 | 1,782,000 | 00 |
| Digging machines | 5 |  | 28 | 10,500 | 00 |
| Sub total |  |  | 13,418 | 50,038,288 | 00 |

(C) **Vehicle**

|  |  |  |  |
| --- | --- | --- | --- |
| **Name** | **model** | **Qty** | **Price(naira)** |
| **Truck** | **Hilux** | **4** | **4 million** |

**Operating cost**

|  |  |  |
| --- | --- | --- |
| **Working capital**  |  |  |
|  |  **₦** | **K** |
| Digging  | 185,000 | 00 |
| Subtotal  | 185,000 | 00 |
| Mechanization and storage | 105,000 | 00 |
| Area yield insurance  | 13,500 | 00 |
| Produce aggregation  | 5,500 | 00 |
| Geo spatial service  | 4,500 | 00 |
| Sub total | 23,500 | 00 |
| For 400Ha | 8,831,700 | 00 |
| Total cost per hectare  | 245,325 | 00 |
| Total cost for 400Ha | 98,130,00 | 00 |
| Loan principal and interest (cost per hectare) | 267,404 | 25 |
| Total for 400Ha | 106,961,700 | 00 |
| Irrigation cost for 400Ha(excluding fixed cost) | 24,018,120 | 00 |

**Amortization**

|  |  |
| --- | --- |
| **Land clearing** | **Price(naira)** |
| Land clearing amortization (500SqM) | **500000** |

**Revenue**

|  |  |
| --- | --- |
| Yields per hectare 3@tonnes **₦**145000 per tonne  |  |
|  | **₦.**  | **K** |
| Revenue per hectare  | 435,000 | 00 |
| For 400Ha | 174,000,000 | 00 |
| Net revenue for 400Ha(without amortization) | 67,038 | 00 |
| 2nd Production cycle |  |  |
| Net avenue  | 43,020,180 | 00 |
| Net revenue with amortization(400ha land) |  |  |
| Annual net revenue(1st +2nd cycle  | 98,058,480 | 00 |

**Funding Mechanism**

The project is funded by the Nigeria Agip Oil Company.

**Conclusion**

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

.