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COURSE: FOOD SECURITY (AFE 202)

DEPARTMENT: MECHANICAL ENGINEERING

EXECUTIVE SUMMARY AND BRIEF DESCRIPTION OF THE PROJECT

The ABIOYE'S Family Farm's mission is to raise the best tasting and finest quality fruits and vegetables for the local community. The ABIOYE'S Family Farm uses only natural and sustainable farming methods, free from pesticides or fertilizers. The ABIOYE'S Family Farm was created to meet the growing needs of a community that shares these same views and is concerned about what they eat and feed their children. The ABIOYE'S Family is based on the sound principles of conserving natural resources, limiting the carbon footprint, growing, hiring and eating locally grown and prepared foods, and making the world a better place to live in. This is a community that is tired of 'fresh' tomatoes bought at the local grocery store.

When more than likely the “fresh” tomatoes were picked while still unripe, shipped 3,000 miles over several days/weeks, and then artificially "ripened" using ethylene gas, thus robbing it of practically all of its nutritional value.

The ABIOYE’S Family is a Community Supported Agriculture (“CSA”) Business entity. CSA is both a marketing strategy and a philosophy. The farmers sell shares (subscriptions) in the next season’s produce, usually before the season begins. Each week of the season, the member receives a ‘share’ of produce from the farm. In some cases the members are involved in decision-making of all aspects of the operation; in others the farmer makes all the decisions.

Each CSA is as unique to the farmer and the community it serves. Members may pick up their boxes at the farm, at delivery sites, or home delivery may be offered. The purpose of this business plan is to provide a blueprint for near term and long term goals. The business plan will be utilized as a tool to gauge how well the farm is doing in the future compared to their initial goals and keep them on target. The business plan is also a tool for lenders, explaining the need for initial financing, the source and use of funds, and debt repayment capabilities. The ABIOYE’S Family Farm has it’s main mission to be

- provide healthy and delicious tasting
- Natural foods and natural

SPONSORSHIP AND MANAGEMENT

Mr and Mrs ABIOYE are the sole sponsors of the farm. The owners will inject 14.4 million naira of their personal money into the business and take out a commercial loan of 7.2 million naira to support the business. The ABIOYE’S Family Farm will be wholly owned and operated by Mr and Mrs ABIOYE, they will perform all office and accounting functions such as

calculating the initial garden costs, seed costs and planting times. Both owners will harvest the crop.

The ABIOYE'S Family Farm will hire one apprentice farmer for each additional acre that is cultivated. Over time, they have plans to hire part-time delivery drivers as well as bookkeeper. MR ABIOYE, will actively manage the farm. Farm management duties will include the creation of a detailed planting guide and building a living soil. Only sustainable and organic farming methods will be used with no reliance on off-farm inputs and chemical pesticides/fertilizers. Growing methods include crop rotation, planting cover crops, applying finished compost and mulches, and encouraging beneficial insects, weed management, irrigation and harvesting.

MR ABIOYE will also be responsibility for preparing detailed accounting records for their tax accountant. MRS ABIOYE will also actively participate in managing the crop during the busy summer months. During the slower winter months, both will work to complete their E-books which will be sold on line and supplement revenue. They will also actively market The ABIOYE'S Family Farm by speaking to local civic groups, providing tours of the farm, and drafting the weekly newsletters. Franks Organic Farm will rely on its Tax Accountant to assist with tax reporting.

TECHNICAL FEASIBILITY, RESOURCES AND ENVIRONMENT

Many changes observed in the environment are long term, occurring slowly over time. Organic agriculture considers the medium- and long-term effect of agricultural interventions on the agro-ecosystem. It aims to produce food while establishing an ecological balance to prevent soil fertility or pest problems. Organic agriculture takes a proactive approach as opposed to treating problem after they emerge.

Soil building practices such as crop rotations, inter-cropping, symbiotic associations, cover crops, organic fertilizers and minimum tillage are central to organic practices. These encourage soil fauna and flora, improving soil formation and structure and creating more stable systems. In turn, nutrient and energy cycling is increased and the retentive abilities of the soil for nutrients and water are enhanced, compensating for the non-use of mineral fertilizers. Such management techniques also play an important role in soil erosion control. The length of time that the soil is exposed to erosive forces is decreased, soil biodiversity is increased, and nutrient losses are reduced, helping to maintain and enhance soil productivity. Crop export of nutrients is usually compensated by farm-derived renewable resources but it is sometimes necessary to supplement organic soils with potassium, phosphate, calcium, magnesium and trace elements from external sources. In many agriculture areas, pollution of groundwater courses with synthetic fertilizers and pesticides is a major problem. As the use of these is prohibited in organic agriculture, they are replaced by organic fertilizers (e.g. compost, animal manure, green manure) and through the use of greater biodiversity (in terms of species cultivated and permanent vegetation), enhancing soil structure and water infiltration. Well managed organic systems with better nutrient retentive abilities, greatly reduce the risk of groundwater pollution. In some areas where pollution is a real problem, conversion to organic agriculture is highly encouraged as a restorative measure (e.g. by the Governments of France and Germany).

Organic agriculture reduces non-renewable energy use by decreasing agrochemical needs (these require high quantities of fossil fuel to be produced). Organic agriculture contributes to mitigating the greenhouse effect and global warming through its ability to sequester carbon in the soil. Many management practices used by organic agriculture (e.g. minimum tillage, returning crop residues to the soil, the use of cover crops and rotations, and the greater integration of

nitrogen-fixing legumes), increase the return of carbon to the soil, raising productivity and favouring carbon storage. A number of studies revealed that soil organic carbon contents under organic farming are considerably higher. The more organic carbon is retained in the soil, the more the mitigation potential of agriculture against climate change is higher.

GOVERNMENT SUPPORT AND REGULATION

Organic farmers, ranchers, and food processors follow a defined set of standards to produce organic food and fibre. Congress described general organic principles in the Organic Foods Production Act, and the USDA defines specific organic standards. These standards cover the product from farm to table, including soil and water quality, pest control, livestock practices, and rules for food additives. The Farm Service Agency (FSA) can help you with the cost of transitioning to organic, organic certification, real estate, buildings, repairs, insurance, field buffers, routine operating expenses, storage and handling equipment, crop losses, soil and water conservation, mapping field boundaries, and acreage reporting. The Non-insured Crop Disaster Assistance Program provides financial assistance for 55 to 100 percent of the average market price for organic crop losses between 50 to 65 percent of expected production due to a natural disaster. New farmers, and traditionally underserved or limited resource farmers are eligible for free catastrophic coverage and discounted premiums on higher coverage. Marketing assistance loans are available that provide interim financing to help organic producers meet cash flow needs without having to sell crops during harvest when market prices are low. Deficiency payments are also available to producers who forgo the loan in return for a payment on the eligible commodity.

TIMELINES OF PROJECTS

Starting an organic farm is no small feat as you won't have the help of artificial enhancers like fertilizers, pesticides, etc. So it was s estimated that an organic farm should be up and running in about Thirty six months (three years) and after this, it should take about six to ten weeks for your farm to be certified as Organic.

ESTIMATED PROJECT COST AND REVENUE

START-UP EXPENSES	AMMOUNT(DOLLARS)
OPERATING CAPITAL	
SALARIES ANG WAGES	1,100
INSURANCE PREMIUM	1,200
BEGINNING INVENTORY	5,000
LEGAL AND ACCOUNTING FEES	
RENT DEPOSITS	
UTILITY DEPOSITS	
SUPPLIES	1,200
ADVERTISING AND PROMOTIONS	
LICENSING	
OTHER INITIAL COSTS	1,000
WORK-UP CAPITAL (CASH ON HAND)	10,000
TOTAL START-UP EXPENSES	19,500

FUNDING MECHANISM

The land is provided for by using mortgage payments and investors are encouraged as there are shares to be bought. Any funding that is not from the purse of the owners, is gotten through loans sourced by the owners at a reasonable interest percentage.

CONCLUSION

The project is Technically feasible and Commercially viable. It is therefore recommended for funding.