AKINDE JESUTOFUNMI TEMITOPE

 18/SMS04/006

 200 LEVEL

 COMMUNICATION AND MEDIA STUDIES

 SOCIAL MANAGEMENT SCIENCES

 AFE 202

 FOOD PRODUCTION AND HEALTH AWARENESS

 ASSIGNMENT: PREPARE A BUSINESS PLAN ON A CHOSEN AGRICULTURAL ENTERPRISE

BUSINESS PLAN/FEASIBILITY STUDY ON CASSAVA FARMING WHICH INCLUDE ONE HUNDRED AND FIFTY HECTARES OF LAND, 20-25 METRIC TONS OF CASSAVA DAILY AND ALSO THE PRODUCTION OF GARRI AND CASSAVA FLOUR.

AIM OF THIS BUSINESS

* Produce gluten free bread with cassava flour
* Provide job opportunities
* To save guard food security

Table of content;

* Executive summary and brief description of the project
* Sponsorship, management and technical assistance
* Market and sales
* Technical feasibility, Resources and environment
* Government support and regulation
* Timelines of project
* Estimated project cost and revenue
* Funding mechanism
* Conclusion

 EXECUTIVE SUMMARY AND BRIEF DESPRICTION OF THE PROJECT

The Greenland farm is located at Abule egba Lagos state, before the farm focus on Fish farming like Catfish, Tilapia, and crayfish and so on. With the increasingly diverse use of cassava product in Nigeria, Cassava farming is getting more lucrative with every passing day. 90% of Nigerian households consume cassava products every day. Some of the meals are garri, wheat flour. Animal feed, commercial caramel and lot more.

 It is also being processed into many different forms for local consumption and for export. Cassava farming is mostly carried out in the tropical region of west Africa countries, Cassava farming can still do well if it doesn’t rain again after the first 5 months, that is why you can hardly hear of irrigation in cassava farming excepts droughts sets in after planting. Cassava especially in form of garri is one of the most popular and widely consumed food corps in Nigeria. Because it is such important food to our dear country and extremely versatile crop, it is in fact, the cornerstone of food security in Nigeria. Garri is one of the staple Nigerian diet because not only is it cheap, but it is easy make and can be taken in majorly two ways that are fast to prepare. Those in Garri business know that it is the fastest way to make money especially in the agro processing industry.

1000 metric tons of cassava flour will be produced while the cassava will also process 2000 tonnes of garri. This plan will also increase the Greenland land agricultural business at all levels in the country. It will increase economic stability of the nation.

The vision of cassava is that cassava will spur rural industrial development and raise incomes for producers, processors, and traders. Cassava will contribute to the food security status of producing and consuming households.

The production of the cassava flour is very important; Some Nigerians are suffering because of too much gluten but with the production of this cassava flour which is Gluten free and is good for people who are allergic to gluten. It can be used to make gluten free bread, cookies, and brownies and so on. Cassava starch can be used to make glue to save money, while the waste of cassava flour can be used for animal feed.

This proposed business will replace the imported wheat flour and it will provide more economic jobs for Nigeria. When the country focuses on the local production and disregards the imported ones it will make food accessible and cheaper for people at household levels because goods and foods imported to the country are more expensive for people. The government will have to focus on local production.

We can export the cassava flour to other countries which will leads to more profits from Greenland, and making the brand known at international levels not only national. Start from Cameroon and Ghana is a good start up then we can move to other neighboring countries by this we will set to cover Africa with our Agricultural products for consumption.

The level of poverty is high in Nigeria and it needs to be reduced because lack of food will lead to malnutrition then death, so to avoid the number of deaths in this country this proposed plan will have to be put to process and consideration.

Cassava has several advantages over other crops. They include drought tolerance, multiplicity of uses, low input requirement, and affordability, ease to store and ease to produce.

 SPONSORSHIP

The Green land farm will sponsor this project. Green land agricultural farm have been in existence since 2009, with the help of the owner of the enterprise Mr Owolabi David and the workers and farms cooperative society In Lagos. The Green land farm motto is to boost food security at any means. Green land has also given financial assistance to small scale farmers with the aim of increase production of food at local. Some entrepreneurs are going into garri processing business especially as the product is recession proof. The recent economic downturn in the country has seen more and more people turning to garri.

 MANAGEMENT

This section involves a group of people that will monitor the running of the business. This proposed plan cannot function without them. Since Mr Owolabi is owner of the Greenland farm he will be the CEO of the production, then he will appoint his broad of directors and selection will be based on the shareholders that have put their resources in this project, the growth and the survival of the plan is in their hands. The board of directors will select a chairman that will foresee the business, the broad of directors have the right to elect another chairman if the chairman isn’t reliable. Establishing the project mission and purpose should be their main objective, monitoring and managing financial resources, spread the word about the organization, avoiding conflicts of interest should be the responsibility of the broad.

The important financial decisions like sanctioning of finances to various projects, reserves, distribution of profit to shareholders and repayment of loans and advances etc., are taken by the broad. Further the broad reviews the financial performance of the company from time to time and reformulates the financial policies.

The broad has to obtain information from the external environmental factors and feed that information forward to various key points in the project in order to prevent possible hurdles and mistakes in the process of achieving organizational goals. Further, the broad obtains from internal sources of the organization, and feeds it forward to prevent possible failures in decision making by the top level.

 TECHNICAL ASSISTANCE

The production of garri needs technical assistance for this proposed plan to work out well green land farm will work with some realizable personnel from various agricultural fields. We will work with Johnson Agricultural center at Oko oba road, this agricultural center work with the production of garri so with their knowledge wel can sell cassava to them in order for them to convert to garri.

Cassava processing operations in Nigeria can be described at 5 levels of capacity. The common terms used to describe these capacity levels are household or cottage, micro, small, medium and large.

The cassava Market and Trade Development Corporation (CMTDC) will support farmers and processors by tackling existing and technical and policy challenges; it is a great honor for our team to work with this prestigious company.

The Key national institutions in the development and extension of improved cassava varieties are the National Root Crops Research Institute (NRCRI), the National Seed Service, and Cassava Multiplication Programme Coordinating unit (CMP-CU), Multi-State Agricultural Development Project (MSADP) and non-governmental organizations (NGO).

The Lagos state government has been in support of agricultural production and have been supporting Green land farm since 2009 when green land was involved in farm fishing and have been selling fishes at all local levels to marketers in Lagos state which help in improving our relationship with the government. Lagos state Agricultural team will assist Green land production of cassava.

This business plan will be in need of farmers at all local levels and they will be paid according to their specifications. Farmers are like the neck of this cassava production, experience from around the world has shown that crop campaigns to raise productivity require a close partnership with research and development of enabling technologies.

 MARKET AND SALES

Marketing is essential for the success of a business. Sales become a direct interface among customs and products offered by companies, and marketing is an indirect function between customer and the company.

Market research is the process of systematically gathering, recording and analyzing data and information about customers, competitors and the market, it is also discovering what people want, need, or believe. It can also involve discovering how they act.

The marketing system for traditional crops including cassava and its products is characterized by fluctuations in supply and the law of supply and demand determines product prices. The current marketing arrangements for cassava and cassava-based products are therefore devoid of government intervention, so the market as it were operates without distortion. Marketing activities are carried out by private traders who operate in both rural and urban markets. To forestall early deterioration and also bulky nature, cassava is usually traded in some processed form, generally garri or chip/flour. In other words, there is limited trade in fresh cassava roots.

The marketing of channel of garri, the most commonly traded cassava product, consists mainly of five alternative flow channels. First there is the movement from the producer through the rural wholesale/assembler and rural market retailer to the rural consumers. The second channel is the movement from the producer through the processor to either the rural assembler or retailer. The third flow of channel is the movement from the processor to the urban market wholesalers, retailers and even to the consumers, while the fourth possible channel is that arising directly from the producer to the rural or urban consumers. The fifth channel is from the producer directly to the rural retailers. Currently, the federal Government has removed the ban on the exportation of yam and cassava products. This barrier has enhanced cross border trade in cassava products.

* MARKET SEGMENTATION: The global cassava market has been segmented based on category, form, application, and region. The global market has been bifurcated, based on category, into organic and conventional. The global market has been segmented, based on form, into dry and liquid. The global market has been analyzed for four key countries- Nigeria, Ghana, Cameroon, and Kenya. We will focus on Nigeria first then later the other three. In Nigeria Lagos, Abuja, Kano, Kaduna, Ogun state will have our major distribution that is when the proposed business plan works.
* MARKET ORIENTATION: South west, south south, south East, North central, North East.
* USERS OF THE PRODUCT/TARGETED CONSUMERS: Nearly every person in Africa eats around 80 kilograms of cassava is it year per estimated 37% of dietary energy come from cassava. The Democratic Republic of Congo is the largest consumer of cassava in SSA, followed by Nigeria. Garri for human consumption which supplies carbohydrates to their body, energy is needed to perform their day to day activities. Cassava flour for people suffering from Gluten, The flour can be used to make bread, pastries and it is gluten free, animal feeds can be used by farmers.
* CONSUMER ANALYSIS: The consumption of cassava comes at two levels, via, primary and secondary. The primary level involves direct consumption. On the other hand secondary consumption using cassava as a stock feed. Consumer analysis will therefore take cognizance of these two levels of consumption.

* MARKET SHARE: 10% niche market in south west, south south, and north central, north east.
* COMPETITION ANALYSIS: Cassava family is mainly done to produce food items, solvents, alcohol, glucose, animal feed, energy, fertilizers, and some extra by products. Nigeria tops the cassava production list, all over the world and Thailand tops the list of cassava production in the Asian continent. Since Nigeria tops the production of cassava there are high numbers of other groups that are involved in cassava production in Nigeria and this is reduce the capacity of this plan, there is need to analyze the competitions of the market to see what we can do to make our business survive in Nigeria.

 There are more than 40 cassava varieties in use. Though the crop is produced in 24 of the country’s 36 states, Cassava production dominates the southern part of the country, both in terms of area covered and numbers of farmers growing the corp. planting occurs during four planting seasons in the various geo-ecological Zones. The major states in Nigeria which produce cassava are Anambra, Delta, Edo, Benue, Cross River, Imo, Oyo, and Rivers, and the lesser extent Kwara and Ondo. In 1999, Nigeria produced 33 million tons. As of 2000, the average yield per hectare was 10.6 tons.

Cassava is grown throughout the year, making it preferable to the seasonal crops of yam, beans or peas. It displays an exceptional ability to adapt to climate change, with a tolerance to low soil fertility, resistance to drought conditions, pests and diseases, and suitability to store its roots for long periods underground even after they mature. Use of fertilizers is limited, and it is also grown on fallow lands. Harvesting of the roots after planting varies from 6 month to 3 years.

* TARIFF AND IMPORT RESTRICTION: The Federal Government of Nigeria has begun gradual restriction of foreign exchange access for the importation of cassava and its derivatives. The restriction is to help efforts at boosting output in the cassava sector, which Nigeria has huge potential for but is high performing below capacity. FG initiatives to enhance agricultural development are focused on boosting the production of identified agricultural commodities that have high growth enhancement impact, create jobs, improve capacity of industries, conserve foreign exchange has taken new dimensions.

Nigeria is the world’s largest producer of cassava tubers with 53 million MT per annum. However, the yield per hectare averaging 20 tons/ha is very low compared to other jurisdictions. In addition, the country imports cassava derivatives with over 600 million dollars each year.

The cassava initiative of the CBN is to improve cassava productivity, stabilize prices and encourage local productivity, stabilize prices and encourage local processing to generate employments, among other collaborations with states. According to FG those who want to import cassava, starch ethanol and all other derivatives into Nigeria may not get funds.

Since the government is restricting the importation of cassava this will enable this business plan to work efficiently because is to improve the local production of cassava and also secure food security for the country.

* MARKET POTENTIAL: Cassava production is really popular in Nigeria and had been a utility crop with diverse food provision and high yielding potentials. Apart from serving as food for human consumption, it has numerous industries uses like chips, flour, starch and leaves which have a high export demand. Nigeria’s comparative advantage in production has made it have very high potential in face of the dwindling World oil prices. Nigeria cassava production has been with an annual output of over 38 million tons of tubers and was adjudges as one of the largest producers of cassava in the world.

Cassava is one of the most important crops in Nigeria, playing a dominant role in the rural economy in the southern agro-ecological zones and is increasingly gaining importance in other parts of Nigeria.

The growth in cassava production has been primarily due to rapid population growth, large internal market demand, complemented by the availability of high yielding improved varieties of cassava, a relative well developed market access infrastructure, the existence of improved processing technology and well organized internal market structure.

* PROFITABILITY: Commercial Cassava farming has been a very profitable farming venture for Nigeria farmers. A cassava tuber which is in very demand is the raw material for producing ‘garri’ which is a stable food for Nigerians.

Cassava is known for its low input-high output nature. Many industries in Nigeria use cassava as a major raw material so you don’t have any trouble selling your products. Cassava tubers are raw material for:

* Noodles production Industries
* Garri factories
* Fufu producers.

A cassava farmer will never have problem selling his products quickly and profitably. Cassava is one of the easiest crops to cultivate as it does not require sophisticated environmental conditions. Cassava should be combined with other crops to improve agricultural profitability and soil quality. Because of the nutrients they release into the

Soil, legume species such as cowpea, beans and groundnut are particularly suitable.

Cassava production is usually faced with myriad of problems ranging from pests and diseases (cassava mosaic disease, cassava bacterial blight, cassava anthracnose disease, cassava bud necrosis, root rot, mealy bugs, green mite etc.), weather related problems, poor soil, land dilapidation, damage by livestock, danger imposed by excessive use of fertilizers, scarcity of cutting, poor accessibility to markets, etc., and all this problems affect profitability of cassava production.

These problems can be averted, if these measures are considered when investing into cassava production, in other to maximize yield.

 TECHNICAL FEASIBILITY

Cassava is a perennial shrub which comes in two broad varieties based on taste, viz, sweet and bitter varieties. Sweet cassava has a low concentration of cyanogenic glucosides which in this case are usually concentrated in the peels. Bitter cassava has a higher concentration of cyanogenic gluecosides which are distribute within the whole tuber.

Cassava grows well in fertile and infertile soils. However, it is a feeder so if grown in fertile soils it quickly exhausts the soils. Secondly, high soil fertility generally promotes vigorous vegetation growth which delays tuber formation. The crop is susceptible to waterlogging.

 The adoption of new technology is described as an innovation decision process through which an individual passes through time of the first knowledge of the innovation to a decision stage of either adoption or rejection and confirm the decision. Technology is the most famous factor that can contribute to growth in agricultural productivity. The use of technology in agricultural involves the application of technological innovations into production, storage and processing of agricultural products to improve the efficiency.

These improvements includes the use of mechanization in farming, the use of chemicals to control diseases and pests, the use of fertilizers, new tillage practices, introduction of improved plants and animal species and so on. The major contributions of agricultural technology are an increase in farm productivity resulting in increased income and poverty reduction, food security and others.

Cassava (Manihot esculenta cranz) is a perennial woodly shrub which grows to height of about 1-3m and is cultivated mainly for its roots and to a lesser extent its leaves. Cassava roots are utilized for human consumption, as a constituent of animal feed, in the production of industrial starch and as a source of bio-fuel.

Increasing cassava production through the adoption of improved production technologies in peri urban areas will not just help to attain a potential or reach a target, it will improve the lives of people who live in the peri urban areas through increased food production, higher incomes as well as those in the surrounding urban areas by increasing the availability of cassava products, this will be due to reduced transport costs due to proximity as compared with those cassava products that are transported from the rural areas. All these sum up to reduction in poverty and increasing levels of food security.

Cassava starch production line adopts a full set of advanced and mature Europe technology, and combined with equipment manufactured in China in accordance with European standards, enabling the production to achieve the most cost effective.

Cassava is planted from seed, tissue culture and cut steams. The most common practice involves the use of stems and tissue culture. Tissue culturing is a high technological process under which stems are produced by multiplying selected genetic material. The main advantage with this process is the important genetic characteristics can be selected and developed. Secondly, the planting material arising thereof is normally disease free and clean. With respect to use of stems the common procedure is to select cuttings on harvest.

In this case the thicker parts are used because of they produce higher yields. The selection of middle parts of the stem is deliberate and aims at selecting against diseases which are usually concentrated in the lower parts of the stem. It is should be highlighted that the establishment of nurseries for cassava multiplication is the standard part of producing planting materials. This multiplying clean planting material involves material from which cuttings for planting are drawn.

 GOVERNMENT SUPPORT AND REGULATIONS

As part of the process of improving food security and the profitability of the agriculture industry, the government is turning its attention to stocking not only production but also the consumption of stable corps. The government wants to play to the industry’s key strengths and as such, is hoping to extract greater benefits from the most widely produced crop in the country: cassava.

The issues of low productivity and suppressed exports cannot be distilled into single challenge, as the problem cuts across a number of areas, from infrastructure deficiencies to genetic research. To give the crop a boost, the administration has been talking up the prospects for cassava value chain further. As part of the government’s import substitution policy, for example, the agricultural is pushing the use of cassava in bread as a replacement for wheat thus giving us the opportunity to implement this proposed plan.

The government has also developed a number of policies to support these ambitions. While NRCRI focuses on the root varieties and quality, the federal government is also pushing the stable crop processing zones (SCPZs) to provide demand for farmer’s increased population.

 SWOT ANALYSIS

STRENGTH

* Human and physical factors of production are available
* There are ideal soils and climate for the production of the crop
* Government policy favors the production of the crop
* Nigeria has the technology for the production and processing of the cassava
* There are sound implementation structures which guarantee its success
* Its enjoy donor support
* Cassava has a wide use of ranges at both the domestic and industrial use
* Cassava production in Nigeria is financially stable.

WEAKNESSES

* It competes for labor and other resources with other crops
* Cassava has a low protein and calcium content hence cassava based diets need protein and calcium supplements
* A shorter growing season will be adopted and this results in lower yields
* Most of the available varieties are vulnerable to diseases, have high gestation periods and low yields
* Many Agricultural farmers are also producing cassava; the competition of cassava production is too high and can affect the profit of the proposed plan.

OPPORTUNITY

* The current policy of diversification offers it opportunities for growth
* Its wide range of uses offers opportunities for growth

THREATS

* Diseases are a major threat to viable production of the crop
* Cassava contains poisonous cyanogenic glucosides which if consumed above certain levels may be lethal.

 SWOT analysis is presented in order to provide a qualitative summary of the results of interviews with various stakeholders and guide on strategic options later on. It highlights problems and opportunities which is crucial in strategic policy.

 PROJECT TIMELINE

Cassava is mostly grown on most soils; however the best soils are sandy clay loam that is well-drained without a fluctuating water table. Cassava is a tropical crop, as a result the most favorable growing conditions for cassava is between 25-29C and precipitations of between 1000-1500mm. This will take place from October- June. The project will be completed in 10 months.

 ESTIMATED POJECT COST AND REVENUE

FIXED COST

LAND: 1 Hectare is approximately 15 plots of land; one plot of land at rural area in Lagos State is 500,000 naira.

|  |  |
| --- | --- |
| LAND/QTY | NARIA(₦) |
| 1 HECTARE | 7,500,000 |
| 150 HECTARES | 1,125,000,000 |

* LAND CLEARING

|  |  |  |  |
| --- | --- | --- | --- |
| Activity | Qty | Naira(₦) | K |
| Land clearing | 1 hectare | 180,000 | 00 |
| Plough | 1 hectare | 100,000 | 00 |
| Fueling of cutting machine | 1 hectare | 38,000 | 00 |
| Sub total | 1 hectare | 318,000 | 00 |
| Total | 150 hectare | 47,700,000 | 00 |

* EQUIPMENTS

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Name | Qty | Model  | USD | Naira(₦) | K |
| Lifter | 1 | TLVM | 56.16 | 7,500 | 00 |
| Peeling tool | 1 | MSTP-500 | 6364.66 | 850,000 | 00 |
| Tractor | 1 | YTO-904(90 HP) | 24,450 | 8,802,000 | 00 |
| Grater | 1 | VCG-800 | 1,347.80 | 180,000 | 00 |
| Chipping machine | 1 | VMX-3 | 224.7 | 30,000 | 00 |
| Pressers | 1 | DW07 | 561.6 | 75,000 | 00 |
| Cassava rasping machine | 1 | CM840-20 | 1,452.63 | 194,000 | 00 |
| Sub total |  |  | 167,889.75 | 10,138,500 | 00 |

* VECHICLE

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Type | Model | Qty | Naira(₦) | K |
| Backhoe | B26 TLB | 1 | 2,500,000 | 00 |

* IRRIGATION

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Type | Model | Qty | USD | Naira(₦) | K |
| Wacker Neuson | GX-160 | 1 | 1,488 | 579,590 | 88 |

 OPERATING COST

|  |  |  |
| --- | --- | --- |
| Working capital |  |  |
|  | Naira(₦) | K |
| Weeding/ha | 10,000 | 00 |
| Ploughing/ha  | 25,000 | 00 |
| Harrowing/ha | 15,000 | 00 |
| Sub total  | 50,000 | 00 |
| 150 hectare | 7,500,000 | 00 |
| Mechanization andstorage  | 200,000 | 00 |
| 150 hectares | 30,000,000 | 00 |
| Input/ha | 50,000 | 00 |
| 150 hectare | 7,500,000 | 00 |
| Produce aggregation | 10,000 | 00 |
| Geo spatial service | 15,000 | 00 |
| Area yield insurance | 30,000 | 00 |
| Sub total | 55,000 | 00 |
| 150 hectare | 8,250,000 | 00 |
| Interest per hectare | 30,000 | 00 |
| 150 hectare | 4,500,000 | 00 |
| Total cost per hectare | 7,500,000 | 00 |
| 150 hectare | 1,125,000,000 | 00 |
| Loan principal and interest(cost per hectare) | 300,000 | 00 |
| 150 hectares | 45,000,000 | 00 |
| Irrigation cost for 150 hectare(excluding  | 55,000,000  | 00 |

AMMORTIZATION

 Naira (₦)

|  |  |
| --- | --- |
| Land clearing amortization | 40,000 |
| Land clearing amortization 150 hectare | 6,000,000 |

 REVENUE

|  |  |  |
| --- | --- | --- |
|  | NARIA | K |
| Yield per hectare 5 tonnes @700,000 |  |  |
|  |  |  |
| Revenue per hectare | 500,000 | 00 |
| For 150 hectare | 75,000,000 | 00 |
| Net revenue for 150 hectare without amortization  | 88,000,000 | 00 |
| Net revenue with amortization(150 hectare clearing) | 60,000,000 | 00 |
| 2nd production cycle  |  |  |
| Net revenue | 50,000,000 | 00 |
| Net revenue with amortization(150 hectare) | 7,500,000,000 |  |
| Annual Net revenue(1st +2nd cycle) | 89,654,000 | 00 |

Currency conversation rate: ₦450 to 1USD

 FUNDING MECHANISM

Green land farm will provide 150 hectare of land for this project, the equipment will the provided by the corporative bodies, and also investors in this business will have their share of responsibilities. The bank of Agriculture provides loans to support all parts of Agricultural value chain, it also provide Non-agricultural micro-credits to poor people from villages, and contributes to the development of agricultural information systems. With the help of Bank of Agricultural in the Nigeria they will invest 10% in this plan and I will enable us to have more materials to carry out production for cassava.

 CONCLUSION

The project is methodically practicable and available for business purposes. There is need for sufficient funding.

 REFERENCES

-ICS-Nigeria (2003) Growing cassava in Nigeria, IITA Ibadan, Nigeria.

-Nigeria’s cassava conundrum. The Guardian. Retrieved 22 September 2013.

-Okpetu, ‘’should you buy into the new FG cassava initiative? Lordson okpetu’s Blog. Lordson okpetu. Retrieved 11 June 2012.

-Cassava. Nigeriamarkets.org, USAID. Archived from the original on 27 September 2013. Retrieved 25 September.

- Asante-Pok, A.(July 2013). Analysis of incentives and Disincentives for cassava in Nigeria. Technical notes series, MAFAP. Rome: FAO. Retrieved 25 September 2013.

- Okogbenin, E.; Fregene, M.; Ceballos, H.; Egesi, C; Fulton T.; Alves, A. ‘’Cassava Research in Nigeria- September 2012 (ppt). National Root Crops Research cemtre. Retrieved 25 September 2013.