

**A BUSINESS PLAN FOR THE DEVELOPMENT OF SIX HUNDRED HECTARES OF
OIL PALM PLANTATION AND ESTABLISHMENT OF 1,000 LITERS PER DAY OIL
PALM PROCESSING PLANT AT ERUWA BY ADEGBOLA FARM LIMITED**

BY

ADEGBOLA OLUWASEUN ADEKUNLE

MEDICAL LABORATORY SCIENCE

18/MHS06/004

CHAPTER ONE: EXECUTIVE SUMMARY

Nigeria palm oil market is flooded with palm oil from different sources. Many of this palm oil are unhygienic to say the least. For, some the processing method adopted make the fatty acid and the level of cholesterol too high. As a result, consumers health is at risk. The odour emanating from some oil is highly unappealing. Further, some oil purchased for industrial usage do not simply meet the standard of the industries for inclusion as their raw material. Most oil produced in Nigeria do not meet standard for exportation. Other problem arises as a result of low quantity supplied during some part of the year. As a result, some find ways to smuggle palm oil into the country to meet local demand.

It is against this backdrop that Adegbola Farms Limited is set to break into the palm oil market in Nigeria by providing high quality palm oil for local consumers, industries and export. Adegbola oil will meet the need of individual consumers locally and international standard. In addition, the oil will be well packaged as opposed to what is obtainable in the open palm oil market.

The target customer of Adegbola Oil will include but not limited to those who appreciate oil with low cholesterol, those suffering from hypertension and as such need to reduce their level of cholesterol intake, those who appreciate palm oil devoid of foul odour, industries such as pharmaceutical, food industry and confectionaries. In addition, high class restaurants and other food sellers will find Adegbola Oil appealing.

To achieve this mandate, Adegbola Farms Limited intend to acquire 600 hectares of land at Eruwa Town Village in Ibarapa Local Government Area of Oyo State. Approximately, 143 seedlings of oil palm will be established on a hectare. The 600 hectares will therefore accommodate 85,800 seedlings of oil palm. The seedlings will be sourced from National Institute

for Oil Palm Research (NIFOR), Benin, Edo State. During the 4-5 years of the gestation period, maize and cassava will be interplanted with the oil palm to serve as revenue source during this waiting period.

A processing shed will be erected on the farm, three administrative offices and a large warehouse will be in place for easy running of day to day activities of the farm. In addition, an industrial borehole will be drilled and a 22hp generator will be purchased to serve the power need of the farm. Farm machines such as tractor will be purchased. The palm oil processing plant will be equipped with digester, hydraulic presser, cooking drums and palm kernel cracker machine.

The business is a capital intensive one. Therefore, the sum of 26 million Naira is projected as start up capital. It is estimated that the enterprise when it becomes fully operational will yield an average of 800,000 naira per annum.

INTRODUCTION, SPONSORSHIP, MANAGEMENT AND TECHNICAL PARTNERS

The mandate of Adegbola Farms Limited is to provide high quality palm oil that will meet the need of consumers both locally and internationally. To this end, the company is poised to adopt high-end and modern technology in oil palm processing. The enterprise will be sponsored Africa Development Bank (AFDB) and International Fund for Agriculture (IFAD)

MANAGEMENT

The greatest aim of this management is to give sensible decisions and right policies that will enable the business to run effectively. The enterprise will be managed by an employed staff of the organization with overall supervision of the CEO of Adegbola Farms Limited. Other staff will also be employed that will see to-day-to running of the enterprise. Samson Consultant Service will be engaged as the technical partner they provide technical expertise to deal with

conservation, management, policies, economics, industry and products of oil palm. This business has dogged a very deep foundation and we have at our backs working hand in hand with us the OYO STATE GOVERNMENT. The government will also have a hand in our transportation of our goods in and out of the state and to other various industries.

MARKET AND SALES

There is ready made market for Adegbola Oil. Effort will be made to sell this oil to those who desire high quality oil.

Users of product- pharmaceutical industries, confectionaries and the international market. It is also edible. Advert will be made on radio, television, local newspapers and social media.

MARKET POTENTIAL

Palm oil is mostly abundant in enugu, imo, ondo, edo, ekiti, cross river, delta, anambra, oyo, abi etc.

TECHNICAL FEASIBILITY, PROJECT ENGINEERING, RESOURCES AND ENVIRONMENT

The farm will be sited in Eruwa Town of Ibarapa Local Government Area of Oyo State. The land in this area is fertile and the environment support oil palm cultivation. In addition, they are good roads linking up this area with cities such as Abeokuta, Lagos, Ibadan, Iseyin and so on. In addition, the large number of youths in this community shows that they will be available workforce to engage. There is an engineering company available nearby to help repair and service the machines and equipment. The secured nature of the environment is an added advantage.

GOVERNMENT SUPPORT AND REGULATORY POLICIES

It is our utmost that government will live up to expectation by providing and maintaining and or repair the existing roads for easy transportation of materials from and into the farm. In addition, government will have to live up to expectation by exempting farm machines such as tractor from customs duty. It is also expected that government provide regular power supply so as to reduce the cost incurred running and maintaining generating sets. The National Agency for Food, Drug Administration and Control is also expected to certify the product of the farm fit for consumption. Equally, the Standard Organization of Nigeria is expected to attest to the quality of Adegbola Oil.

PROJECT IMPLEMENTATION AND TIMELINE

The project is expected to start at the onset of raining season, between March and April 2021. The expected gestation period of oil palm is 4-5 years. During this waiting period, cassava and maize will be interplanted for 3 years before the oil palm plants will overshadow these arable crops. The actual oil processing will commence in 2026 when oil palm will have start fruiting.

FINANCIAL EVALUATION- PROJECT COST AND ESTIMATES

The cost below is projected for the enterprise

S/N	Items	Estimated cost (N)
1.	Land Clearing	100,000
2.	Palm oil expeller	50,000
3.	Sterilizer	40,000

4.	Thresher	60,000
5.	ploughing	400,000
6.	22hp Generator	3,000,000
7.	Digester	200,000
8.	Cooking drums	50,000
9.	600 hectares of land	10,000,000
10.	Palm kernel cracker	500,000
11.	Farm and office building	5,000,000
12.	Vehicles	4,000,000
13.	Miscellaneous	3,000,000
	Total	26,375,000

FUNDING

The business will be funded with personal savings, grants and sponsorship from Africa Development Bank (AFDB) and International Fund for Agriculture (IFAD)

CONCLUSION

Oil palm and its processing is lucrative and the market for the product is vast.

Therefore it is recommended of funding.