Ajibowu-Yekini Habibat Morenikeji

COLLEGE OF SOCIAL AND MANAGEMENT SCIENCES

DEPARTMENT OF SOCIOLOGY

18/SMS13/001

AFE 202: INTRODUCTION TO AGRICULTURAL SCIENCE AND FOOD SECURITY

15TH APRIL 2020.

QUESTION: Prepare a business plan on a chosen agricultural enterprise following the guideline on the note. Spiral bind and submit upon resumption. Minimum of five pages, times new roman size 12 with double spacing.

BEBBAH LIMITED

BUSINESS PLAN FOR THE DEVELOPMENT OF A FRUIT AND VEGETABLE PRODUCTION, EXTRACTION AND DISTRIBUTION COMPANY AT EPE, LAGOS NIGERIA BY BEBBAH LIMITED

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: Ajibowu-Yekini Habibat

Name: Ajibowu-Yekini Habibat Morenikeji

Date: 28th April 2020

A Business Plan, is a formal written document containing business goals, the methods on how these goals can be attained, and the time frame within which these goals need to be achieved. It also described the nature of the business, background information on the organization, the organization’s financial projects, and the strategies it intends to implement to achieve the stated targets. In essence, this document serves as a road map that provides direction to the business.

**EXECUTIVE SUMMARY**

This business plan, examines the feasibility of and indeed economic viability of the development of a farm named BEBBAH dedicated to the production, supplying and extraction of fresh fruits and vegetables. BEBBAH has been formed as a Nigerian-based limited liability cooperation. (L.L.C) located on the outskirts of Lagos. BEBBAH, is working hard to become a leading supplier and producer of fresh fruits, vegetables and extracts to all areas of the food industry and the people. There is high domestic demand for these products because of our huge population and the variety of processed goods and their negative impacts leading to hunger for fresh and unprocessed fruits and vegetables. Production is popular in various regions such as the east and some are the lead producers.

The proposed project will create economic opportunities, and impact positively on the people and their health. The fruits and vegetables to be sold here, will directly be gotten from the various states, which they strive well in, through farmers who will be employed to plant, care for them, harvest and supply them. An artificial climate section will be created for the ones which grow outside the country, and cannot be found in Nigeria in order for them to grow well and in the same way that they grow, this will save Nigeria the money of importing fruits. This project will indeed create market access, improve the income of farmers, and contribute to the health and food security of the people. By leveraging a well thought out business plan executed by a skilled management team, BEBBAH will generate over a million naira in a year.

**SPONSORSHIP**

This project is sponsored by AYOOLA ADESOJI, a legal luminary and founder AYOOLA ventures . AYOOLA ADESOJI, is promoting the productivity of businesses by women through the AYOOLA Women’s Empowerment Foundation. The company has proposed to lend all the needed amount of support including equipment and any other thing needed to get the business up and running. Paleo Agribusiness consultancy will be responsible for the management of consultancy on the project.

**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 members of the cooperation who have shares 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. The primary objective of the board will be to give strategic directions and policies that will ensure long term success of the organization. The board will ensure that the organization complies with all standards set by the regulatory authorities. The Managing Director or President shall be responsible for the coordination of the day to day management of the cooperative business. She is accountable to the Board of Directors; she will mobilize organization resources to achieve set goals. She will manage business risks and focus on wealth creation.

**TECHNICAL ASSISTANCE**

AYOOLA Ventures, has working relationship with the National Horticulture Research Institute, Ibadan, on a MOU (Memorandum of Understanding). NIHORT is affiliated with the research and production of fruits and vegetables and will provide technical assistance in this regard. The Bank of Agriculture has also agreed to finance the company through a loan at 5% interest rate given to the cooperative.

AYOOLA ventures will fund the other required areas of the company together with the various investors that have agreed to be part of the business such as supermarkets and fast foods which include local Market, Ajah market and much more, and also the Nigerian Farmer’s Association. The university will get technical support from this relationship in the area of production through contract farming and distribution. The supermarkets and fast foods associated with the company will be very helpful as they will help to draw in more customers to which the fruits, vegetables and their extracts will be sold to.

**MARKET AND SALES**

Market Orientation: Domestic; Western part

Market share: 7% niche market in West

Users of product: Edible fruits and vegetables and essential oils from them for humans and for the food industry, and the cosmetic industry.

**COMPETITION ANALYSIS**

`​There are various farmers who already harvest and sell fruits and vegetables that grow effectively in their different states and there are also supermarkets that sell imported fruits and the extracts of these fruits and vegetables. However, there are no farmers or supermarkets that sell both foreign and domestic fruits and vegetables. Also, some of these fruits and vegetables have things injected into them, especially those sold in supermarkets and they are not fresh. The extracts are equally not natural since they have additional chemicals in them which has reduced their quality and effectiveness and has proved to be dangerous for some people. On the bright side none of these deliver to your doorsteps. In light of the above analysis, the competition is definitely evident but can be tackled.

**TARRIF AND IMPORT RESTRICTION**

Forex restriction on fruits and vegetables importation and related product extracts from foreign countries and zero duty on agricultural equipment and other resourceful equipment will favour the project under consideration.

**MARKET POTENTIAL**

​There is strong demand for fresh fruits and vegetables and their extracts all over Lagos especially those that don’t grow in Nigeria. There is support of production and trade though out Nigeria.

**PROFITABILITY**

​Weather, biological, physical and environmental factors are such as temperature, light, water, sunlight, diseases, and more are risks that the farmers are liable to face while trying to produce crops, and there might also be risks in the production of the foreign crops such as crops not responding well and there might also be some factory problems that are likely to occur such as machines becoming bad. However, farmers will be provided with anything they need and there will be help from NIHORT to attend to any issue effectively and efficiently.

**TECHNICAL FEASIBILITY**

The project (production, extraction and distribution of fruits and vegetables) are technically feasible. In terms of technology, which involves the extraction of essential oils from the essential fruits and vegetables and the use of artificial climates to produce foreign crops. The industrial processes are not that simple but we have the help of specialists with more than 10 years of experience and the needed equipment are readily available.

On the production and distribution of the fruits and vegetables along with their extracts, we have experienced farmers and specialists in farm management, crop production, market development, accounting as part of our team. The state of infrastructure on the outskirts of Lagos is adequate and suitable for the location of a firm for effective production, extraction, distribution and marketing.

The major competitors in the Western region are Fruit and Vegetable garden market, Vital-life fruits, Veggie fresh. They are all well-known fruit and vegetable companies that sell fresh fruits and vegetables and have the capacity to sell a lot of fruits and vegetables in a day. BEBBAH will target a market niche and penetrate through cooperative societies to make our brand popular. From our analysis, integration authenticity of production and distribution will give us a competitive advantage.

We are implementing our project using best international practices, sustainable production and due consideration for the environment. The Environmental Impact Assessment shows little or no damage to the environment.

PROJECT TIMELINE

The project will be completed within a span of a year because farmers have to be interviewed and recruited, and the firm has to establish the artificial climate for the foreign crops and equally employ workers and extraction equipment and the various things needed for the full start of the business. All these, will consume time in order to be done well and for complications not to occur on the way.

ESTIMATED PROJECT COSTS AND REVENUE

Breakdown of Use of funds

Acquisition:

Property

N5,000,000

00

Equipment system

N4,000,000

00

Sub-total

N9,000,000

00

Operating Expenses:

Salaries

N3,000,000

00

Marketing and promotion

N2,000,000

00

Other operational expenses

N1,000,000

00

Sub-total

N6,000,000

00

Total

N15,000,000

00

START UP EXPENSES

Start-up Expenses to Fund​$684,600

Start-up Assets to Fund​$1,145,400

TOTAL FUNDING REQUIRED​$1,830,000

Assets​

Non-cash Assets from Start-up​$900,000

Cash Requirements from Start-up​$245,400

Additional Cash Raised​$0

Cash Balance on Starting Date​$245,400

TOTAL ASSETS​$1,145,400

Liabilities and Capital​

Liabilities​

Current Borrowing​$400,000

Long-term Liabilities​$400,000

Accounts Payable (Outstanding Bills)​$30,000

Other Current Liabilities (interest-free)​$0

TOTAL LIABILITIES​$830,000

Capital​

Planned Investment​

Investor 1​$250,000

Investor 2​$250,000

Investor 3​$250,000

Investor 4​$250,000

Other​$0

Additional Investment Requirement​$0

TOTAL PLANNED INVESTMENT​$1,000,000

Loss at Start-up (Start-up Expenses)​($684,600)

TOTAL CAPITAL​$315,400

TOTAL CAPITAL AND LIABILITIES​$1,145,400

Total Funding​$1,830,000

Currency conversion rate: ₦360 to 1USD

FUNDING MECHANISM

BEBBAH will be fully funded by AYOOLA ventures and its various shareholders. It has been given 1000Ha of land has been fully leased by the government due to interventions from NIHORT.

CONCLUSION

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

**Our mission and Vision**

As like any other company we also have a mission and a vision, we have a vision of obviously wanting to succeed and make profit and not just that we want to be one of the leading brands in the field and we don’t want to just be national we would like to be international also. We are a world class and registered fruit and vegetable farming for the United States’ market and the global market. We want our fruit and vegetable to be fresh and healthy and also to be in every part of the United States and other countries.