A BUSINESS PLAN ON AGRICULTURE ENTERPRISE BY HARIM BELLO SHEHU 19/sci01/100

DEFINITION OF ARGICULTURE ENTERPRISES

Agricultural enterprises means those small business concerns engaged in the production of food and fiber ranching and raising livestock aquaculture and all other farming and agrictural related industries.

Agricultural enterprises has different aspects, a business plan is a roadmapfor your small farm you will need a business plan.

 HOW TO ESTABLISH A BUSINESS

An important part of starting your farm business is defining what it will be. My own plan is to grow different crop vegetation and to have animal's produce which was listed below.For this plan to work I will need a large space for farm produce and 890 hectare space. Also I will have a start ecotourism far, where people will come to stay to see the workings of your farm chores.

Many factors might come in like farm operations, management structure, financial analysis, product, and price points.

Steps needed to establish a better business;

 1. Complete in the start-up phase if possible, but realistically they will happen organically, out of need as the business matures

2. Should stay on your mid-term list of things to do

3. Risk analysis a. Identify risks (ﬁnancial, production, marketing, legal and regulatory, family and personal) b. Identify strategies to avoid or mitigate such risks c. Plan on some setbacks occurring. If you are serious about staying in business you will have some strategy for mitigating setbacks when things go wrong.

4.Plan for developing infrastructure a. Infrastructure development plan – As your business grows it becomes more important to have efﬁcient systems for recordkeeping, internal communication, managing human resources, etc. Usually these systems are developed in the ﬁrst few years and then improved as needs dictate. b. Recordkeeping systems – Any system you develop to get you through the ﬁrst few years will need to be reviewed for efﬁciency and accuracy and updated and expanded as the business grows c. Internal communication and decision-making processes – As more people are added this need will make itself known d. Recruiting, training, and retaining assistance – When employees become a valuable resource, it makes sense to invest in them through salary increases, beneﬁts, housing, and supplemental training

FARM OPERATIONS

Farm operations means any activity conducted solely or primairly for production of one or more agricultural products for production. in terms of farm operations that is needed in start up the business. Also there is not wrong starting with this step in start up a farm. But in business you need a plan to start up with.

In my own farm business i would first start up with the land am going to start with like 890 hectare space to diversfied farm on a small scale operation that would grow a variety of animals and crops.

Also factors like markets, supply and demand as well as anything that pertains to the farm operations, management structurce,finicial analysis, products and price points.

My business plan is to start a crop vegetation that I would sell in the market to give a higher profit. But the first is that I get a business licences and permits by in my own local area and meet up to requirements for establishing a small farm business i.e i will need to register my business license, get an employer identification number and carry product liability insurance.

SETTING UP FINANCES

I will need to decide on my business structure either a sole proprietorship, an LLC or something else. which i have decided to run a sole proprietorship business. And by doing that I need to contact an accountant to provide me information specific to my business. Because financial analysis plays a vital role in setting up finances and it is explained below;

Financial analysis: Capital needs analysis (Deﬁne how much equipment you truly need. List it out and get prices on both new and used equipment). Start-up cash ﬂow analysis (Deﬁne accurately when will you have to purchase supplies and equipment).This should correspond exactly to your farm plan price supplies from different sources. Also cash ﬂow analysis may deﬁne when you will start to generate revenue and what your selling costs and ongoing operational costs will be. Revenue estimates will depend on your preliminary marketing plan as well as your estimates of yields and prices, selling costs include transportation, selling supplies such as bags and boxes, and possibly sales help. Farm records which is needed in expenses (i.e that would be used up once the crop is harvested). This is unlike the expenses of buying a piece of equipment that will last many years, which would be listed under capital individual Operating Expenses are entered under the Operating Expenditures.

Net Cash Flow from Operations: This is the critical line, cash From Borrowing – if you are negative after operations, you will need to borrow or fund your business from personal monies. Allowing personal savings ﬁgures are included to encourage good saving habits. (You could have a section here instead showing your personal checking account). All business transactions should go through the business checking account and open a new checking account to be used exclusively for business transactions. The beginning balance in this example is zero (see: “Checking”/ “Beginning Cash in Ckg”/ Jan.). The cash (N1200) is transferred in from the savings account (see: “Business Checking”/ “Contribution to (From) Savings”/ Jan.)

The section under the Business Checking account summarizes the cash ﬂow activity of each month. Actual hard currency cash income should be deposited in and withdrawn from the business checking account on petty cash (cash you keep on hand) should not be substantial enough to change basic cash ﬂow planning. There is no beneﬁt to hiding cash “under the table” in your start-up years as you will want to show a taxable proﬁt so that you will have the option of applying for credit to help ﬁnance the development of your operation. Operating income generated from the sale of produce, operating expenditures and all of the direct expenses associated with the growing of crops for eventual sale. Operating expenditures like manures and important chemicals are termed on the period of your checking account to run negative is not an option. Note: In any month when you see an automatic calculation of a negative amount in your checking account, you need to manually put in the amount of cash you need to borrow to keep your checking account balance above zero.

 Capital Expenditures: Equipment(e.g materials needed like hoes, cutlass and spade is considered to be capital like cash. The purchase of equipment is considered a capital expenditure as it beneﬁts the business over many years. Unlike inputs such as soil amendments, it does not get used up within the crop year. Be careful not to skew your cash ﬂow from operations by putting equipment purchases in with operating expenses.

 Debt Reduction: This is also in a category by itself, since it is neither operational nor capital. You will need to make payments on your debts according to the terms of the loan (e.g., an equipment loan may require monthly payments, whereas your family may let you pay nothing for the ﬁrst six months, and then make monthly payments thereafter). Paying debt is critical so that you do not ruin your credit. Enter the amount of debt you need to pay each month according to the terms of the loan. (Again, be careful not to skew your cash ﬂow from operations by putting debt service in with operating expenses).

In terms of marekting, for example, to develop a reputation as a supplier of quality hanging baskets and bedding plants and to effectively penetrate the market in the 1st year of operation by offering products not supplied by other growers in the area. The goal is to expand the marketplace by expanding the variety of products available to the gardening public. Sales of bedding plants will extend within a market radius of 20 kilometers and populations of 20,000 with a total of 25,000 sq. ft. of greenhouse space supplying this market. A target of 20% of the business is expected to be sales to landscaping firms with the 80% balance as retail sales to private residents and local business.

LEARNING ABOUT FARMING

I don't really have much ideas on the perfect parcel of land to pop up, the one thing that helped me was that spent most of my time reading on farming books and magazines on everything related to farming on choosing the land the proper way to raise a sheep. And also add much ideas to grow diffrent crops on a given parcel of land which i have acquired and gotten lincense by the government in my own local area. At that time i read a magazine about farming to exposed me to different types of farming which invovled.

Farminng led to the rise of the Neolithic Revolution. It was an era when people abandoned nomandic hunting for city settlements.

The fertile cresent tranversing the levant the Nile valley and Mesotopmia is believed to be agriculture and domestication of plants and animals was first practiced by countries such as; Lebanon, Iraq, Turkey, Egypt, Israel Syria and jordan make up an area that was once known as the fertile crescent.

Some types of farming which are being practiced across the world;

ARABLE FARMING: involves growing of cropd only in warm climate. it is practiced on gently sloping or flat land with deep, fertile soil. Land ideal for growing crops should be fairly sheltered.

PASTORAL FARMING: is the practice of rearing animals only in the cold and wet climates not ideal for growing crops. Land with steeps slopes can also easily damage crops.

SUBSISTENCE FARMING: is the practice of growing crops and rearing animals for personal us. It is done on a small scale with the focus of feeding the farmers family.

 My favorite farming is the subsistence farming, when it comes to subsistence farming it stats with a small projects

 FARMING THE RIGHT WAY

A small farm needs a range of half -acre with a small veggie garden . Farm planning comes in with a good progress each year sit down your farm plan . Having a land with some different demcations in which a section for planting cassava,yams, carrots, beans, cashews, watermelons and oranges.the farming is essenitaly plan and deﬁnes what crops will be grown, how much of each crop, and at what time of the year. The farming plan must serve the marketing plan, which is based on the market analysis. Determine what will sell ﬁrst, then decide what to grow and farming plan is constrained by the ﬁnancial plan. Example if you are not in a ﬁnancial position to establish an orchard it doesn’t matter if there is a great market for apples. Making a ridge for cassava and planting a large vegetable garden or cropd can seem like a daunting task but it doesnt need tobe for small acreage you can also hire someone to do the plowing disking and harrowing. Once you have tested and amended your soil its time to get it ready for planting. with many different methods of tillage or working the soil how can see you know which one is right.

Globally, major crop classifications are defined by the Food and Agriculture Organization (FAO) of the United Nations. For a better understanding of agricultural crops and their distribution in India and the globe, knowledge of the classification of plants and crops is needed. Examples are;

 1. Descriptive Classification

 2. Ecological classification

 3. Agronomic Classification

 4. Horticultural Classification

 5. Ornamental and plantation classification.

The examples listed above in which can be planted according to what you to plant and harvest. And examples of plants that can be cultivated

 Horticultural Crops/ Plants:

Horticultural crops have been referred to as “garden crops”. Horticultural crops are annual and perennial plants which are grown under an intensive system of agriculture.

The following are the major kind of horticultural crops: Olericultural or Vegetable Crops Pomological or Fruit Crops and Nuts Spice Crops Essential-oil Crops Ornamental Crops Biocidal Crops Industrial Crops Plantation Crops.

Vegetable Crops are (except mushroom) grown for their succulent and edible parts such as the roots, stems, leaves, young tops, fruits or seeds for use in culinary preparations either fresh or preserved in the fresh state.

Vegetables are classified based on their edible parts, into several varieties. They are:

 a. Leafy Vegetables are crops that are grown mainly for their leaves. Examples: amaranth , lettuce, and raddish.

b. Shoot Vegetables are plants grown primarily for their edible shoot, mainly the young, succulent stem. Examples: asparagus and celery.

c. Pod and Seed Vegetables are generally members of Leguminosae or Fabaceae family. These plants are grown for their young pods and seeds. Examples: beans and sweet corn.

d. Root and Bulb Vegetables are plants grown for their swollen underground roots and stems. Examples: carrot, potato, onion and raddish.

e. Flower Vegetables are plants with edible flowers. Examples: rose and sunflower.

f. Fruit Vegetables are grown for their fleshy, succulent fruits. Examples: eggplant, tomato, peppers and melons.

Vegetables are also classified according to their families, which can be planted with reqiured amount of wateringand can be mentioned into the following groups:

a. Cole Crops or Crucifers. These vegetable crops belong to the Cruciferae or Brassicaceae (Mustard) family. They possess edible leaves or heads. Examples: cabbage, cauliflower, mustard, and raddish.

b. Cucurbits, belong to the Gourd and Squash family. They are grown mainly for their fruits but some have edible young shoots and flowers; also called Vine Crops. Examples: bottle gourd, cucumber and melons.

c. Legume Vegetables are the members of the Leguminosae or Fabaceae (Bean) family. The seeds are rich in protein. Examples: kidney beans, pea and pole sitao.

d. Lilies are members of the Liliaceae (Lily) family. Examples: asparagus, garlic and onion.

e. Solanaceous Crops, belong to the Solanaceae (Nightshade or Eggplant) family and, with the exception of white potato, are also called Fruit Vegetables. Examples: eggplant, tomato, peppers and white potato.

f. Mushrooms are edible fungi belonging to the division Basidiomycota (club fungi). The edible part commonly consist of an upright stalk and an umbrella- shaped cap.

In addition to these, horticultural crops include a) fruits and nuts b) Spices c) Essential oil crops

The Fruit Crops and Nuts include plants that are grown primarily for their edible fruits. Nuts are grown for their fruits which are high in fat. The nut is a simple, dry, indehiscent fruit with a hard outer covering. Example is the cashew.

The Spice Crops are grown for the production of aromatic substances which are used as food flavoring , fragrance or preservative qualities. Spices are in solid or liquid forms. Examples: black pepper, garlic, ginger, hot pepper, onion and turmeric.

The Essential-oil Crops are plants grown for the extraction of essential oils which are volatile, aromatic substances for perfumery and other uses. Examples: eucalyptus, peppermint, etc.

 The Food Crops are plants grown primarily for the harvesting of any part which is used by people as food or processed into food product.

The Non-food Crops are mainly cash crops. These are plants grown for the production of non-food products such as fiber, fodder, alcohol and tobacco.

The Staple Crops are food crops. These are regularly consumed in a traditional diet and from which people obtain a major proportion of their energy and nutrient requirements. Examples of other staple crops: wheat and millet.

The Cereal or Grain Crops are mainly annual, herbaceous plants belonging to the grass family which are grown for their seeds or grains. Examples:corn, millet, rice, sorghum, wheat.

The Legume Seed Crops or Pulses are leguminous plants which produce edible, protein-rich seeds. Examples: cowpea, peanut and peas.

The Root and Tuber s us Crops are plants with modified, swollen root or underground stem. These organs are rich sources of carbohydrate and are commonly used as staple, livestock feed, or as raw materials for industrial purposes, such as starch and alcohol production, or processed into various food products. The Oil Seed Crops are plants grown for their seeds which are rich source of edible and industrial oil. Example: sunflower The Sugar and sweetener Crops are plants grown primarily for the production of sugar or other sweettasting products.

Various forms of sugar are derived from various parts of certain plants such as from stems, bulb and other underground organs, leaves, flowers, fruits, seeds, sap and resin. These are called as sugar crops.

The Beverage Crops are plants which are sources of various drinks including fruit juices. Examples: coffee and tea.

The Rubber Crops are another major type of plants that are grown for the production of latex which is processed into the industrial product called rubber.

The Latex and Gum Crops are very typical plants. These plants are grown for the collection of latex which is processed into chewing gum, inelastic rubber and other industrial products such as surgical tapes and dental supplies, insulation, splints, pipes, golf balls, waterproofing, adhesives, etc. The Dye and Tannin Crops are special kinds of plants. These plants are grown as sources of tannin and coloring substances. Tannin is an aromatic, phenolic substance which is obtained from barks and other plant organs and variously used in tanning, medicines, dyeing, ink manufacture, etc.

Fiber Crops are plants grown as sources of fiber used in making textiles, ropes, twine and similar materials. The fiber is extracted from the bark, leaves, or other organs including the husk of coconut.

The Biofuel Crops are special type of crops. These plants are grown for the production of fuel that is used as additive or replacement for petroleum products. Examples: sugarcane, corn, coconut, castor bean and Jatropha.