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MATRIC: 18/ENG05/007

DEPT: MECHATRONICS ENGINEERING

LEVEL: 200L

COURSE CODE: AFE202

COURSE TITLE: FOOD SECURITY

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

A FEASIBILITY REPORT/BUSINESS PLAN FOR THE DEVELOPMENT OF AN 800 HUNDRED HECTARE OF DATE PALM PLANTATION AND ESTABLISHMENT OF 100TONNES PER DAY CAPACITY DATE PALM FRUIT. EXTRACTION PLANT AT FEDERAL UNIVERSITY DUTSE, JIGAWA STATE, NIGERIA BY SAKARE AGRI BUSINESS VENTURES AND CONSULTANCY CONFIDENTIALITY AGREEMENT.

The undersigned reader acknowledges that the information provided into 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 promoter 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:

Name:

Date:

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EXECUTIVE SUMMARY/PROJECT DESCRIPTION

This business plan examines the feasibility of an indeed economic viability of the development of an 800hectares date palm fruit plantation and the establishment of a sweet fruit extraction plant in jigawa by federal university of dutse and Fud farmer’s cooperative society limited. The farm will produce about 25,000 tonnes of date palm fruit in a production cycle. The date palm fruit extraction plant will process about 28,000 tonnes of date fruits into salads or sweet, exotic fruit, soaps and can also be turned into animal food, although it does not produce animal food for all animal species. Etc. There are high demands for these products, both domestic and foreign. The production is popular in jigawa, Kaduna, Sokoto, katsina, India, Pakistan, etc.

SPONSORSHIP

This project is sponsored by Hamza Abdulhameed Mohammed who is the officer in charge of Nigerian institute for oil palm research (NIFOR). Mr. Hamza is promoting the productivity of small holder farmers in jigawa through the federal university of dutse farmer’s cooperative limited. The university has a department of agriculture and experts with many years of experience in the project being advanced, Sakare agribusiness ventures and consultancy will be responsible for the management consultancy of the project.

MANAGEMENT

The management settlement of a democratically elected board of directors at the apex of the organization structure. This will be made up of stakeholders and members of the cooperative who have stake in the survival, growth and profitability of the business as well as discerned agribusiness professionals of demonstrated rectitude and vast experience in the project area. The main objective of the board will be to give strategic directions and policies that will ensure that the organization complied with all standards set by regulatory authorities.

The managing Director/President shall be responsible for co-ordinates of the day to day management of the cooperative business he is accountable to the board of Directors, he will mobilize organization resources to achieve set goals, He will manage business risks and focus on wealth creation.

TECHNICAL ASSISTANCE

The university has a working relationship with jigawa state Government, jigawa state ministry of agriculture, farmer’s union, Agricultural cooperatives and individual farmers.

The university will get technical support from this relationship in the area of production through contract farming or grower scheme.

The university has a working relationship and linkages to industry players in the project area who will offtake products through a purchase and sale contract agreement.

MARKET AND SALES

Market orientation: domestic and foreign, Northeast, West, India, and Pakistan.

Market Shares: 15% in each market in north east, West Nigeria and India and Pakistan

Users of the product: Production of cosmetics products for soap, for exotic fruits, etc.

COMPETITON ANALYSIS

At the moment the state where date fruit is produced in large quantities is katsina state. It is in the northern part of Nigeria and Pakistan in the foreign country.

TARIFFS AND IMPORT DUTIES

One of the main purposes of this establishment is to reduce import of date palm fruit to the barest minimum hence there will be no import duties as concerns this project. Moreover, all equipment’s and tools required are manufactured and will be gotten here in Nigeria.

MARKET POTENTIAL

Date palm fruit is one of the most widely used fruits and a common ingredient in juice, medicine and cosmetics etc. The application of date palm fruits is therefore diverse, which aids the expansion of the global date fruit market.

PROFITABILITY

Weather, biological, chemical, physical and environmental factors such as temperature, sunlight, water, air, soil conditions, varieties of seed, pests, diseases, price fluctuations and other risks could affect the output and profitability but smart strategies and solutions will be propounded by our able bodied team to take care of any challenge that the organization might face.

TECHNICAL FEASIBILITY

The production of date palm fruit and palm fruit extraction is technically feasible. It involves the crushing of the date palm fruits and extraction of fruits, the industrial processes are simple, and we have expert in fruit extraction with more than 8years of experience is part of our team. The needed equipment for fruit extraction is readily available and our experts have hand on experience in the usage and maintenance of the equipment.

GOVERNMENT SUPPORT AND REGULATION

The project shall be Government approved seeing as it follows the plan of federal government to make the nation an agricultural zone to produce date fruits in the world. It also supports import reduction. It creates economic opportunities, market access, improved income for farmers and support food security objective of the government. The project will benefit from the government intervention fund in the agricultural sector. Restriction of forex for all food products will also widen market opportunities. The project will contribute significantly to employment, output increase, stable price. The project will also benefit from the policy of zero duty for the import of agricultural products.

Project Timeline

The project will be completed within 4 to 8 years preferably between march, 2020 to March 2024 or more because date palm plantation is mainly done during hot summers, no (or at lowest) rainfall. Very low relative humidity.

Estimated Project Costs and Revenue

Fixed Cost

(A)Land Preparation

|  |  |  |
| --- | --- | --- |
| ACTIVITY | QUANTITY(HECTARES) | NAIRA |
| BUSH CLEARING | 2 | 500,000 |
| LEVELING OF SOIL | 2 | 250,000 |
| HOLE PREPARATION | 2 | 100,000 |
| SUB TOTAL | 2 | 850,000 |
| TOTAL | 800  | 680,000,000 |

(B) Equipment’s needed

|  |  |  |  |
| --- | --- | --- | --- |
| NAME | QUANTITY  | MODEL | USD |
| TRACTOR | 3 | GC1705 | 10,500 |
| CAT | 4 | COMP02433 | 12,230 |
| TANK | 2 | GP | 5,000 |
| FERTILIZER | 20 BAGS | NPK | 3,000 |
| MALE SEED | 4 | SAPLINGS | 250 |
| FEMALE SEED | 75 | SAPLINGS | 1,500 |
| HOE | 30 | 3D | 2,000 |
| SAW MACHINE | 3 | GA-CS-5800 | 8,120 |
| SUB TOTAL |  |  | 42,600 |

PS: 380 NAIRA IS EQUAL TO 1 USD

 (C) Vehicle

|  |  |  |  |
| --- | --- | --- | --- |
| TYPE | MODEL | QUANTITY | NAIRA |
| TRUCK | MAC | 4 | 25,000,000 |

(D) Irrigation

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| TYPE | QUANTITY(M3/ha) | MODEL | USD | NAIRA |
| DRIP | 20,000 | Dig GE200 | 40,000 | 15,200,000 |

Operating Cost

 Working Capital

Land Clearing -#25,000

Land Preparation -# 20,000

DE stumping -#32,000

Surveying -#20,000

Marking out -#40,000

Pegging -#50,000

Digging -#50,000

Drenching with Chemicals -#20,000

Planting Out -#25,000

Realigning -#16,000

Seedlings -#31,000

Weeding -#20,000

Pruning -#50,000

Pollination -#60,000

Harvesting -#25,000

Sub Total -#484,000

For 800 Ha -#387,200,000

Storage -#140,000

For 800 Ha -#112,000,000

Input/Ha -#50,000

For 800 Ha -#40,000,000

Area yield insurance -#34,000

Produce aggregation -#11,500

Geo spatial service -#9,230

Sub total -#54,730

For 800 Ha -#43,784,000

Interest per hectare -#30,450

For 800 Ha -#24,360,000

Total cost per hectare -#432,200

Total cost for 800 Ha -#345,760,000

Loan principal and interest (cost per hectare) -#400,000

Total for 800 Ha -#320,000,000

Irrigation cost for 800 Ha -#50,210,000

Amortization

 Date palm amortization (per hectare) -#45,000

Date palm amortization (800 hectare) -#36,000,000

Revenue

Yield per hectare 60 tonnes @ #86,000 per 120 tonnes

 Revenue per hectare -#2,340,000 00

For 800 HA -#1,872,000,000 00

Net revenue for 800 HA (without amortization) -#560,000,000 00

Net revenue for 800 HA (with amortization) -#870,000,000 00

**PS:Currency Conversion Rate : #380.00 TO 1 USD**

Funding mechanism

FUD will provide 800 HA of cleared farmland around the university

Equity investor to provide for equipment and vehicles purchase

Where possible equity investor to provide equity for working capital

Conclusion

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