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**ASSIGNMENT: BUSINESS PLAN**

A Business Plan for the development of a commercial farm in Lagos State Nigeria by Airgate Farm Limited.

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## Executive Summary

Airgate Farm Limited is an African exporting company of Agro products such as cashew nuts, sesame seeds and other farm products. We are located in Lagos, Nigeria and we are capable of supplying these products. We plan on going into commercial farming as an extension of the enterprise.

Our commercial farming is a going to be standard commercial farm , hence will be involved in commercial crop cultivation, fish farming, poultry farming and of course animal farming. We will be involved in both organic commercial farming and non – organic commercial farming.

In the nearest future, hopefully within the first five years of officially running Airgate Farm Limited, we will commence our food processing plant and also start exporting our agriculture produce to other parts of the world.

We have put process and strategies in place that will help us employ best practices when it comes to commercial farming processes and food processing as required by the regulating bodies in Nigeria. Airgate Farm Limited is a private registered agro – allied company..

The business will be managed by Mr. Christian.

## Our Services

Airgate Farm Limited is an agro – allied company that is committed to cultivating organic and non – organic agriculture produce for both Nigeria’s market and the global market. We are in business to produce both food and raw materials for industries in commercial quantities.

We will also ensure that we operate a standard food processing plant as part of our complimentary business. These are the areas we will concentrate on in our commercial farms. If need arises we will definitely add more agriculture produce to our list;

- Cultivation of Grains (Grains such as millet, wheat, oat, shogun, barely, cereal, soybeans, black mustard, sunflower seed et al)
- Fruits Plantation

- Vegetable Cultivation (Tomatoes, Lettuce, Cabbage, etc)
- Cotton Wool and other cash crops cultivations
- Tea and Coffee Cultivation
- Cattle Ranch (Including goats, sheep, grass – cutters, pigs and rabbits et al)
- Poultry
- Fish Ponds
- Standard Food Processing Plant (Tomatoes Paste, Fruit Juice, Processed Dairy foods, and can foods et al)

### Our Mission and Vision Statement

- Our Vision is to become one of the leading commercial farm brands not just in Nigeria but also on the global stage.
- Airgate Farm Limited is an agro – allied registered company that is in business to cultivate in commercial quantities both organic and non – organic agriculture produce for both Nigeria market and the international market.
- Aside from agriculture produce, we want our processed food to flood the nooks and crannies of Nigeria and other countries of the world.

### Our Business Structure

Airgate Farm Limited is a privately owned and managed commercial farm that is into a wide range of agriculture produce. Hence we have made provisions to hire the required numbers of employees that will help us drive the business to the desired heights we want it to get to.

It is important to note that the nature of the business that we are in requires that from time to time we hire casual workers (contract staff) especially during land preparation stage, planting stage and harvest periods. Below is the business structure of Airgate Farm Limited;

- Chief Operating Officer
- General Farm Manager
- Administrator / Accountant

- Crop Cultivation Manager / Supervisor
- Fish Farming Manager / Supervisor
- Poultry Farming Manager / Supervisor
- Cattle Ranch Manager / Supervisor
- Sales and Marketing Executive
- Field Employees
- Front Desk Officer

## MARKET ANALYSIS

### Market Trends

One of the common trends in the commercial farming line of business is that most players in the industry are no longer concentrating only on non – organic farming. They now find it easier to run both organic crop cultivation and non – organic crop cultivation. .

The fact that there is always a ready market for commercial farming produce makes the business ever green. As a matter of fact, one of the new trends is that with the recent advancement in technology farmers are now grow crops in commercial quantities in a country where such crops can hardly survive and in places where there are few farming land, commercial farmers now make use of the rooftop (basement) of their houses to cultivate crops even for commercial purposes.

## SALES AND MARKETING STRATEGY

We are quite aware that the reason why some commercial farms hardly make good profits is their inability to sell off their farm produce especially perishable crops as at when due. In view of that, we decided to set up a standard food processing plant to help us maximize profits.

Over and above, we have perfected our sale and marketing strategies first by networking with agriculture merchants and companies that rely on raw materials from the agriculture industry who are likely to refer become our customers.

In summary, Airgate Farms Limited will adopt the following strategies in marketing our commercial farm produce;

- Introduce our business by sending introductory letters alongside our brochure to stake holders in the agriculture industry, companies that rely on the agriculture industry for their raw materials, hotels and restaurants and agriculture produce merchants, amongst others.
- Advertise our business and agriculture produce in agro – allied and food related magazines and websites
- List our commercial farms on yellow pages ads
- Attend related agriculture and food expos, seminars, and business fairs et al
- Leverage on the internet to promote our business
- Engage in direct marketing
- Encourage the use of word of mouth marketing (referrals)

### Sources of Income

It is very vital to spell out from the outset in any business how funds will be raised. In this case, Airgate Farm Limited is in the agro – allied business for the purpose of maximizing profits, hence we have decided to explore all the available opportunities within the industry to achieve our corporate goals and objectives.

In essence we are not going to rely only on the sale of our farm produce to generate income for the business. Below are the sources we intend exploring to generate income for Airgate Farm Limited;

- Sale of Grains (Grains such as millet, wheat, oat, shogun, barely, cereal, soybeans, black mustard, sunflower seed, sesame seed et al)
- Sale of Legumes (Cashew nuts, groundnuts etc.)
- Sale of varieties of Fruits
- Sale of varieties of Vegetable
- Sale and Export of Cotton Wool and other cash crops
- Sale and export of Tea and Coffee
- Sale of Cattle and milk (Including goats, sheep, grass – cutters, pigs and rabbits et al)
- Sale of Poultry and eggs
- Sale of Fish
- Sale of processed foods / can – food (Tomatoes Paste, Fruit Juice, Processed Diary foods, and can foods et al)
- Agricultural Related Consultancy and Advisory Services

### Our Pricing Strategy

Some of the factors that will help you sell your farm produce at the right price and guarantee that you make profits is dependent on your strategy while some of the factors are beyond your control. For instance; if the climatic condition is unfavorable and if there are natural disaster in the location where you have your commercial farm, then it will directly affect the prices of your farm produce.

Over and above, if we want to get the right pricing for your farm produce, then we have got to ensure that we choose a good location for commercial farm, choose a good breed / seeds that will guarantee bountiful harvest, cut the cost of running our farm to the barest minimum and of course try as much as possible to attract buyers to our farm, as against taking your farm produce to the market to source for buyers; with this, we would have successfully eliminated the cost of transporting the goods to the market and other logistics.

One thing is certain, the nature of commercial farming makes it possible for farmers to place prices on their farm produce based on their discretion without following the benchmark in the industry. The truth is that it is one of the means of avoiding running into loss. The easier you sell off your harvest the better for your business.

### Payment Options

The payment policy adopted by Airgate Farm Limited is all inclusive one because we are quite aware that different customers prefer different payment options as it suits them but at the same time, we will ensure that we abide by the financial rules and regulation of Nigeria of America.

Here are the payment options that Airgate Farm Limited will make available to her clients;

- Payment via bank transfer
- Payment with cash
- Payment via online bank transfer
- Payment via check
- Payment via bank draft

In view of the above, we have chosen banking platforms that will enable our client make payment for farm produces purchase without any stress on their part.

### Financial Projections and Costing

When it comes to calculating the cost of starting a commercial farm, there are some key factors that should serve as a guide. The different niche of commercial farms determines the total cost of setting up the business. For illustration, the start – up cost for a fish farm is different from the start – up cost for mechanized crop farming, so also the start – up cost for poultry farming is different from the start – up cost of cattle ranch (dairy farm) et al.



As a matter of fact, if you choose to start mechanized crop farming, then you should be willing to raise huge capital base to start the business. This is so because some cultivation machines / equipment can be pretty expensive. Below are some of the basic areas we will spend our start – up capital in setting up our commercial farm;

- The Total Fee for incorporating the Business (commercial farm) in Nigeria – N15000.
- The budget for key insurance policies, permits and business license – N30000
- The amount needed to acquire / lease a farm land – N250000
- The amount required for preparing the farm land (for crop cultivation, fish ponds, poultry, fencing et al – N1000000
- The cost for acquiring the required working tools and equipment / machines / tractors et al– N8000000
- The Cost of launching an official Website – N50000
- Additional Expenditure (Business cards, Signage, Adverts and Promotions et al) – N150000

Going by the report from detailed research and feasibility studies conducted, we will need an average of N2000000 to start a standard commercial farm business in Nigeria. These are some of the equipment that we would need to fully launch our commercial farm: Tractor, Soil cultivator, Plough, Harrow (e.g. Spike harrow, Drag harrow, and Disk harrow), Stone / Rock / Debris removal implement (e.g. Destoner, Rock windrower / rock rake, Stone picker / picker, Broadcast seeder (alternatively: broadcast spreader, fertilizer spreader, or Air seeder), Planter, Plastic mulch layer, Potato planter, Seed drill (e.g. Precision drill), Transplanter (e.g. Rice transplanter), Sprinkler system irrigation, Mower, Sickle, Winnowing, Milk machine (bulk tank, milking pipeline et al), Wheel Barrow and Truck.

Basically, the nature of commercial farms does not require an office space; most people that run commercial farms operate directly from their farms. But we have decided to open a small liaison office; a place where administrative jobs will be carried out.

## Generating Funding / Startup Capital for Airgate Farms Ltd.

These are the areas where we intend sourcing for fund for Airgate Farms;

- Generate part of the start – up capital from personal savings and sale of his stocks
- Generate part of the start – up capital from family members and friends (soft loans and gifts et al)
- Generate a larger chunk of the startup capital from the banks (loan facility).

## BUSINESS GROWTH: Sustainability and Expansion Strategy

It is easier for a company to survive when there is steady flow of income which is why we will ensure that we leverage on every business opportunities that we come across to sell our farm produce. Also as part of our business sustainability and expansion strategy, we will kick – start our food processing plant as soon as possible. This is to create additional income for the business.

Another sustainability and expansion strategy that we have adopted is continuous training of our workforce (both full-time staff and part – time workers) so as to provide them with the capacity to perform effectively. We believe strongly in the fact that if we are able to invest the best in our employees, then they will be able to give our clients the best and this will in turn produce benefits immensely.

We know that good and healthy farm produce, integrity, competence, trust and good relationship management is factor that can guarantee a business to grow and survive in hash business environment which is why we will work hard not to compromise these qualities that we possess.

## Check List / Milestone

- Business Name Availability Check: Completed
- Business Incorporation: Completed
- Opening of Corporate Bank Accounts various banks in Nigeria: Completed
- Opening Online Payment Platforms: Completed

- Application and Obtaining Tax Payer's ID: In Progress
- Application for business license and permit: Completed
- Purchase of All form of Insurance for the Business: Completed
- Leasing of farm land in Des Moines, Iowa: Completed
- Conducting Feasibility Studies: Completed
- Start – up Capital Generation: Completed
- Writing of Business Plan: Completed
- Drafting of Employee's Handbook: Completed
- Design of The Company's Logo: Completed
- Graphic Designs and Printing of Packaging Marketing / Promotional Materials: Completed
- Recruitment of employees: In Progress
- Building /construction of fish ponds, cattle ranch, and poultry: In Progress
- Purchase of the needed working tools, machines and equipment: Completed
- Creating Official Website for the Company: In Progress
- Creating Awareness for the business (Business PR): In Progress
- Farm land Treatment, Health and Safety Arrangement: In Progress
- Establishing business relationship with key players in the industry (agriculture farm produce merchants, transporter / haulage and suppliers of seeds, fertilizers, pesticides and insecticides): Completed