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MATRIC NUMBER: 18/LAW01/059

LEVEL: 200

**COURSE TITLE: INTRODUCTION TO
ENTREPRENEURSHIP**

COURSE CODE: GST 212

DEPARTMENT: LAW

COLLEGE: COLLEGE OF LAW

COMPANY: SWEET TUBERS INTERNATIONAL.CO
CASSAVA PLANTATION AND SALE OF PRODUCTS

With the increasingly diverse use of cassava products in Nigeria, cassava farming is getting more lucrative with every passing day. This farm product has always been a source of livelihood and food for millions of Nigerians. 90% of Nigerian households consume cassava products every day. Some of the meals are: garri, wheat-flour, animal feed, commercial caramel, and a lot more. To start a business plan for cassava planting there are certain things we must look at.

1. *Sponsorship*

My project will be sponsored by Aare Afe Babalola, a legal luminary and founder of Afe Babalola University. This is my choice because Aare Afe Babalola is promoting the students in agriculture considering he is a farmer himself. I have an upper hand because not only am I a student of the university, I am a law student and he is a lawyer.

2. *Management*

The management will comprise of myself as president, share holders and an expert in cassava plantation hand picked by me. I will get information on the expert from the Federal Ministry of Agriculture and Rural Development . These individuals will give strategic directions and policies that will ensure long term success of the business.

3. *Technical Assistance*

Aare Afe Babalola, using his connections will link me with the Federal Ministry of Agriculture and Rural Development. Federal Ministry of Agriculture and Rural Development (FMARD) has mandate in Cassava production and processing and will provide technical assistance in this regard. He also has connection to the Federal Government being a SAN himself

I can also get assistance from other private organizations such as Danwaire Farms and Egugo Farms

4. Market and Sales

Market orientation: domestic; North , South East and South West Nigeria

Market Share: 5% niche market in North, South East and South West Nigeria

Users of Products: Cassava flour and Cassava tubers

5. Competition analysis

Considering the fact that there is corona virus pandemic , there is higher demand for food items including cassava. Planting cassava in Abuja would be more profitable considering the fact that only 10 percent of commercial production constitute cassava flour in Abuja. Also wondering the fact that it is a capital it different kinds individuals can have access to the goods.

Tariff and Import Restriction

Forex restriction on food importation and zero duty on imported agricultural equipment will favour the project under consideration.

Market Potential

There is strong demand for cassava and cassava derivatives in the Abuja the capital of Nigeria.

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 e.g. cow from the cattle rearers invading the farm could affect yield and profitability. Considering the fact that cassava grows more in Saharas. However, technical, scientific and financial based solutions will be employed to hedge against risks and safeguard profit. Irrigation option will be factored in to ensure two cycle of production in a year.

Technical Feasibility

The projects (production of cassava and cassava flour) are technically feasible this is because cassava is a tropical fruit and is grown by small farm holders and low income earners. This means not much money would be used on its technology.

Government Support and Regulation

The project conform with the economic diversification objective of the government. It also supports foreign exchange and import reduction conservation of government with the production of flour, garri, animal feed , sweeters and so on. It provides for economic opportunities, market access, improved income for farmers and support food security objective of government. The project will benefit from government intervention fund in the agriculture sector.

Project Timeline

The project will be completed within 6months preferably between October, 2020 to June, 2021 because land clearing is mostly done in the dry season.

Fixed Cost

▪ Land Clearing:

Activity	QTY	₦
Land Clearing	2Hectares	450,000
Cross cutting	2Hectares	35,000
Ploughing	2Hectares	100,000
TOTAL	2Hectares	585,000

▪ **Equipment:**

Name	QTY	MODEL	USD	₱	K
Tractor	1	YTO-904(90hp)	2,445	8,802,000	00
Disc harrow	1	IBJ- 3.0	3,335	1,200,500	00
Sub soiler	1	IS-200G	5,826	2,100,000	00
Plough	1	2BFY-6C	3,215	1,159,000	00
Tripper	1	7CX-8T	5,831	2,102,000	00
Cassava Harvester	1	SQTH 03	103,357	37,260,000	00
Boom sprayer	1	3W-1000L-18	6,941	2,502,000	00
Front loader	1	TZ10D	6,561	2,365,200	00
Cassava Miller	1	DY31	140,000	50,470,000	00
Cassava Planter	1	Ridging Type (SQTP)	20,000	7, 210, 000	00
Cassava Peeler	1	SQPC - 4	10,000	3,605,000	00
TOTAL			307,511	73,352700	00

▪ **Vehicle:**

Type	Model	QTY	₱	K
Pick up Truck	Hilux	4	90,000,000	: 00

- ***Irrigation:***

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Type	QTY	Model	USD	₪
Hose & Reel	1	Coxreels 1185 - 1124 series	118	42,500

- **Operating Cost**

Working Capital	₪	K
Ploughing/Ha	15,000	00
Harrowing/Ha		10,000 00
Sub total	25,000	00
For 200Ha		5,000,000 00
Mechanization and storage		50,000 00
For 200Ha		10,000,000 00
Input / Ha	45,913	00
For 200Ha		9, 182,600 00
Area yield insurance		6,750 00
Produce aggregation		2,750 00
Geo Spatial Service		2,250 00
Sub total	11,750	00
For 200Ha		2,350,000 00
Interest per hectare		11,040 00

For 200Ha	2,208,000	00
Total cost per hectare	100,000	00
Total cost for 200Ha	200,000	00
Loan principal and interest (cost per Hectare)	350,000	00
Total for 200Ha	550,000	00
Irrigation cost for 200Ha (excluding fixed cost)	12,009,060	00

▪ Amortization:

	₱	K
Land clearing amortization (per hectare)	30,000	: 00
Land clearing amortization (200hectare)	60,000,	: 00

▪ **Revenue:**

Yield per hectare 3tonnes@ ₱90000 per tonne	₱	K
Revenue per hectare	270,000	: 00
For 200Ha	54,000,000	: 00
Net revenue for 200Ha(without amortization)	194,889,860	: 00
Net revenue with amortization(200ha clearing)	194,919,860	: 00
2 nd Production Cycle		
Net revenue	95,029,660	: 00
Net revenue with amortization(200ha land)	95,089,660	: 00

Annual Net Revenue (1 st + 2 nd Cycle)	289,949,520	:	00
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Currency conversion rate: ₦360.50 to 1USD

Funding Mechanism

Aare Afe Babalola will provide 200Ha of cleared farmland around airport road using his connections and lease it to members of the cooperative. He will also will also lease 3,000MT capacity silo as equity contribution

Equity investor to provide equity for equipment and vehicles purchase

Where possible equity investor to provide equity for working capital or otherwise secure loan at the rate of 9% through government intervention window at the Bank of Agriculture, Bank of Industry and Commercial banks.

Conclusion

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