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Question

Using a company or business of your choice, write a good and customized business plan, covering all relevant aspects and analyses.

**HAQHAQHAQ AGRIBUSINESS VENTURES
A BUSINESS PLAN FOR THE DEVELOPMENT OF AN EIGHT HUNDRED AND FIFTY
HECTARE CASSAVA PLANTATION AND A CASSAVA PROCESSING PLANT AT
THE TALMBOUT PLANTATION, ANAM, ANAMBRA STATE BY HAQHAQHAQ
BUSINESS VENTURES**

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1.0 EXECUTIVE SUMMARY

This plan appraises the practicability and economic execution of the development of an eight hundred and fifty hectares (850ha) cassava (*Manihot esculenta*) plantation and a cassava processing plant at the Talmbout Plantation in Anam, Anambra State. There is the ever increasing need for cassava in Nigeria. This project will help to augment the cassava shortage in a large scale in Nigeria, thereby saving the country some of its scarce foreign exchange. It could also be exported to other parts of Africa (it has been estimated that almost every person in Africa eats around 80 kilograms of cassava per year) and the world as well, thereby creating more markets on an international scale and bringing in investors and sponsors from both far and near.

2.0 INTRODUCTION AND DESCRIPTION OF THE VENTURE

Haqhaqhaq Agribusiness Ventures is the name of the company established to focus on the production and marketing of cassava. It is situated at the Talmbout plantation in Anam town in Anambra State. The business is one formed from a merger between Haqhaqhaq Agricultural Marketing Limited and Talmbout & Heirs Farms. The focus of the company is to contribute to the alleviation of hunger mainly in Nigeria and in Africa which is its secondary focus. It proposes to do this by spreading the market of the country's most versatile and widely consumed good at an affordable selling price throughout all areas of the country through the operation of mechanized farming on a very grand scale to meet a very large demand market and employment of new marketing techniques.

Moreover, the company targets significant creation of jobs and portrayal of the agricultural sector as a lucrative one that can contribute immensely to the nation's economy. For this reason, with the concentration of efforts within the South-Southern region of Nigeria, we have collaborated with Chief Olusegun Obasanjo, a former Head of State and G.C.F.R of Nigeria who is fully interested and involved in promoting the agricultural sector of the economy and is undertaking the sponsorship of this project. Also, Dr. Chris Ngige, the Nigerian Min. of Labour and Employment, is sponsoring this project and has secured for the project a large area of the outskirts of Anambra State for the siting of the cassava plantation and processing plant. He is employing the necessary manpower needed in the implementation of this project in a bid to provide employment with reasonable remuneration.

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3.0 ORGANISATIONAL PLAN

At the top of the organizational structure will be the Management Board of Directors and the Managing Director of the Bella Ciao Agricultural Marketing and Management Consultancy. The Board of Directors will oversee the implementation of all plans and policies for the execution and commercial viability of the project. The Board of Directors will consist of stakeholders, veteran professors and experts in the area of agriculture and agricultural mechanization. Also present on the Board will be people who have reliable means of establishing markets connections within the country and with other countries. The board will ensure that the organization complied with all standards set by regulatory authorities. The Managing Director on the other hand will oversee the day-to-day running of the business. He will ensure that all staff whether low level, middle level or high level, are working to achieve the set goals of the business.

4.0 MARKET ANALYSIS

The company would concentrate its marketing on efforts on local and state markets. It would also partner with agricultural retailers to market the crop at low prices in order to pursue its objective to contribute to the alleviation of hunger in Nigeria and Africa. Also, the derivatives of cassava such as flour and garri will be sold to agro-allied companies that will need the products for their own production processes.

5.0 STRATEGIC HUMAN RESOURCES PLANNING

At the commencement of operations at the farm, three cassava seeders, two boom sprayers and three combine harvesters would be used to cultivate cassava for the first cycle. Two operators for each of the above-mentioned equipment would be engaged while two operators shall be engaged for each of the two cassava crushers and each of the cassava peeling machines at the plantation.

There will be a supervisor who is an expert at the maintenance of machines, to supervise the utilization of the equipment in the plantation. Several farmers will be employed to work the fields. There will be five sales officers as well as some low level staff.

PROJECTED STAFF STRENGTH

TITLE	YEAR 1	YEAR 2	YEAR 3	YEAR 4
Supervisor	1	1	3	4

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Sales officer	5	7	7	10
Farmers	10	10	12	12
Cassava seeder operators	3	3	3	3
Boom sprayer operators	2	2	2	2
Combine harvester operators	3	3	3	3
Cassava crusher operators	2	2	2	2
Cassava peeling machine operators	2	2	2	2
Cleaners	3	3	3	3
Security	2	2	2	2

PROJECTED TOTAL COMPENSATION PACKAGE PER ANNUM

Supervisor – 420,000

Sales officers – 300,000

Farmers – 210,000

Boom sprayer operators – 200,000

Combine harvester operators – 200,000

Cassava crusher operators – 200,000

Cassava peeling machine operators – 200,000

Cleaners – 50,000

Security – 50,000

6.0 PRODUCTION PLAN

Cassava will be planted by implementing the semi-extensive technique in to maximize the rate of food production as well as realize the company's objective to create employment. All things

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being equal, it is estimated that over 3000tonnes of cassava will be produced in a given cycle. At the cassava processing plant, the cassava will be processed into various forms such as flour, fufu, garri, cassava chips and pellets for animal food, plywood which will be sold as final products or intermediate goods to distributors or retailers.

7.0 ASSESSMENT ON RISKS AND PROBLEMS

We envision that one of our major problems will be constant power supply and establishing a strong and permanent marketing chain. To solve the power supply problem, there will be a MIKALO 250 KV industrial generator. On the issue of having a strong marketing chain, we will rely on the marketing strategies that are provided us by Bella Ciao Agricultural Marketing and Management Consultancy Firm.

We also anticipate some sort of competition from foreign investors and importers of cassava but we believe that the policies that the government has implemented such as ban on various goods that it believes can be produced in Nigeria or increasing tariffs on imported goods or other steps to discourage imports into Nigeria will be an advantage to us to reach our targeted market.

8.0 ESTIMATED PROJECT COST AND REVENUE

Fixed Cost

Land Clearing

Activity	QTY	₦	K
Land Clearing	1Hectare	310,000	00
Cross cutting	1Hectare	45,000	00
Rome ploughing	1Hectare	70,000	00
Sub total	1Hectare	500,000	00
Total	850 Hectares	425,000,000	00

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(B) Equipment

Name	QTY	MODEL	USD	₱	K
Cassava peeling machine	1	RFO-904(90hp)	24,450	8,802,000	00
Cassava crusher	1	BLO- 3.0	3,520	1,267,200	00
Sub soiler	1	WI-200G	3,250	1,170,000	00
Cassava seeder	1	1HTU-6E	4,950	1,782,000	00
Tripper	1	9FX-5G	9,450	3,402,000	00
Combine Harvester	1	1QZ-6	103,500	37,260,000	00
Boom sprayer	1	4W-1000L-15	6,950	2,502,000	00
Front loader	1	TZ10D	6,570	2,365,200	00
Sub total			159,390	57,380,400	00

Irrigation

Type	QTY	Model	USD	₱	K
Hose Reel	1	140 – 440MT	38,186	2,0136,960	: 00

Operating Cost

Working Capital		
	₱	K

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Ploughing/Ha	15,000	00
Harrowing/Ha	10,000	00
Sub total	25,000	00
For 850 Ha	21,250,000	00
Mechanization and storage	105,000	00
For 850Ha	89,250,000	00
Input / Ha	91,825	00
For 850Ha	78,051,250	00
Area yield insurance	13,500	00
Produce aggregation	5,500	00
Geo Spatial Service	4,500	00
Sub total	23,500	00
For 850Ha	19,975,000	00
Interest per hectare	22,079	25
For 850Ha	18,767,150	00
Total cost per hectare	245,325	00
Total cost for 850Ha	206,826,250	00
Loan principal and interest (cost per Hectare)	267,404	25
Total for 850Ha	227,293,400	00

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Irrigation cost for 850Ha (excluding fixed cost)	24,018,120	00
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Amortization

₦

K

Land clearing amortization (per hectare)	30,000	: 00
Land clearing amortization (850hectare)	25,500,000	: 00

REVENUE

Yield per hectare 3tonnes@ ₦145000 per tonne		
	₦	K
Revenue per hectare	435,000	: 00
For 850Ha	3,701,415,000	: 00
Net revenue for 850Ha(without amortization)	67,038,300	: 00
Net revenue with amortization(850ha clearing)	55,038,300	: 00
Net revenue	43,020,180	: 00
Annual Net Revenue (1st + 2nd Cycle)	98,058,480	: 00

9.0 FUNDING MECHANISM

The company has been given a section of the outskirts of Anambra State (850 Ha) to be leased to members of the cooperative. The equity investor will provide equity for equipment and vehicles purchase. Where possible equity investor to provide equity for working capital or otherwise

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secure loan at the rate of 9% through government intervention window at the Bank of Agriculture, Bank of Industry and commercial banks.

10.0 CONCLUSION

In conclusion, the project is practicable and commercially viable. The above stated analysis portray that the feasibility and profitability is highly promising. It is therefore recommended for funding.