**NAME: AFOLABI EBUNOLUWA PEACE**

**MATRIC NO: 18/LAW01/017**

**COURSE TITLE: INTRODUCTION TO ENTREPRENEURSHIP (GST 212)**

**ASSIGNMENT TITLE:** ***A BUSINESS PLAN FOR THE DEVELOPMENT OF A TWENTY HECTARES MAIZE PLANTATION AND ESTABLISHMENT OF A CEREAL PRODUCTION COMPANY AT EBUN AFOLABI FARM, LAGOS, NIGERIA BY GAFARI AGRIBUSINESS VENTURES AND CONSULTANCY CONFIDENTIALITY AGREEMENT.***

**CONFIDENTIALITY CLAUSE**

The undersigned reader acknowledges that the information provided in 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 promoters 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:

 **CONTENTS OF BUSINESS PLAN**

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10. **EXECUTIVE SUMMARY/BRIEF DESCRIPTION:**

This business plan examines the feasibility and economic viability of the development of a 20 Hectares Maize Plantation and the establishment of a Cereal production company in Lagos by Ebunoluwa Afolabi. The maize will be produced in the farm while the cereal will be produced at the cereal production company. Part of the corn produced at the farm will be sold at different markets in Lagos while the cereals will be sold across all parts of the country through the distributors that will be recruited by the company.

The proposed project will provide profit for the Sole Proprietor, create economic opportunities, impact positively on the people and help conserve scarce foreign exchange. The entire maize to be processed will be sourced locally through direct production. The project will create market access, improve income of farmers and contribute significantly to food security. It will also generate satisfactory returns for sponsors and investors.

1. **SPONSORSHIP**

The project is to be fully sponsored by Ebunoluwa Afolabi who is a renowned legal practitioner and a medium scale entrepreneur of many other successful businesses. Ebunoluwa’s vision is to reduce import on cereals through her locally made cereal. She is also of the passionate about creating job opportunities through this project and also creating wealth in Nigeria. Gafari Agribusiness Ventures & Consultancy will be responsible for the management consultancy of the projects.

1. **MANAGEMENT**

This business is a product of the of the Afolabi Family dynasty. Therefore, the business shall be managed by Ebunoluwa who will be the Chief Executive Officer of the business. She shall also be assisted by other Afolabi family members who shall head different units of the company. All the heads of unit shall be accountable to the CEO and they shall manage resources of the company effectively and efficiently. They will all mange the manage the business risks and focus on profit making.

1. **TECHNICAL ASSISTANCE**

Some Tech experts from Germany will be contracted to conduct the installation of the appropriate equipment to enable the company to have a conducive production environment. They will also aid in branding of the company and training of the staff who will work at the company.

1. **SALES AND MARKETS**

Market orientation: domestic; all regions in Nigeria and West Africa

Users of Products: Nigeria and other ECOWAS member states.

1. **TECHNICAL FEASIBILITY**

The projects (production of maize and maize cereal) are technically feasible. In terms of technology, the required equipment for processing the maize grains into cereal will be available. The needed equipment for the industrial processes are readily available and our experts have hand on experience in the usage and maintenance of the equipment.

On the maize production, we have specialists in mechanization, irrigation, farm management, crop production, weed science, market development, agric extension and accounting as part of our management team. We also have specialists in quality control as part of our management team. The state of infrastructure around Lagos is adequate and suitable for the location of the farm/firm for efficient production, processing and marketing. Raw materials will be produced and sourced locally.

We are implementing our project using best international practices, sustainable production and due consideration for the environment.

1. **GOVERNMENT SUPPORT AND REGULATION**

The project conforms with the economic diversification objective of the government. It also supports foreign exchange and import reduction conservation of government. It creates 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. The project will also benefit from the favorable policy of zero duty for agricultural and equipment import. Restriction of foreign exchange for all food products will also widen market opportunity. The project will contribute significantly to employment, output increase, stable price and stable exchange rate.

1. **PROJECT TIMELINE**

This project is to be carried out in two months. (May 2020 – July 2020)

1. **ESTIMATED COSTS AND REVENUE**
2. Land Clearing

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity** | **QTY** | **₦** | **K** |
| Land Clearing | 1Hectare | 230,000 | 00 |
| Cross cutting | 1Hectare | 20,000 | 00 |
| Rome ploughing | 1Hectare | 50,000 | 00 |
| **Sub total** | 1Hectare | **300,000** | **00** |
| **Total** | 20 Hectare | **6,000,000** | **00** |

1. Equipment

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name** | **QTY** | **MODEL** | **USD** | **₦** | **K** |
| Grain crusher | 1 | FYRHB-909 | 15,000  | 6,000,000  | 00 |
| Pressure cooker  | 2 | 5744/FG  | 4000  | 1,600,000  | 00 |
| Conveyor belt  | 3 | 328.YHU  | 3,500 | 1,400,000  | 00 |
| Packaging machine  | 5 | 465BBD  | 6000 | 2,400,000  | 00 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| **Sub total**  |  |  | **28,500** | **11,400,000**  | **00** |

1. Vehicle

**Type Model QTY ₦ K**

|  |  |  |  |
| --- | --- | --- | --- |
|  **Pick up Truck**  |  **TOYOTA**  | **2** | **25,000,000 : 00** |

1. Irrigation

**Type QTY Model USD ₦ K**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Hose Reel** |  **1**  |  **140 – 440MT** |  **28,186**  |  **1,0146,960 : 00** |

1. Operation cost

|  |  |  |
| --- | --- | --- |
| **Working Capital** |  |  |
|  |  **₦**  | **K** |
| Ploughing/Ha |  15,000  | 00 |
| Harrowing/Ha  |  10,000  | 00 |
| Sub total  |  25,000 | 00 |
| **For 20 Ha** |  **500,000** |  **00** |
| Mechanization and storage |  105,000  |  00 |
| **For 20Ha** |  **2,100,000** |  **00** |
| Input / Ha  |  91,825 |  00 |
| **For 20Ha** |  **1,836,500** |  **00** |
| Area yield insurance |  13,500 |  00 |
| Produce aggregation |  5,500 | 00 |
| Geo Spatial Service |  4,500 |  00 |
| Sub total  |  23,500 |  00 |
| **For 20Ha** |  **470,000** |  **00**  |
| Interest per hectare |  22,079 |  25 |
| **For 20Ha** |  **441,580**  |  **00**  |
| Total cost per hectare |  245,325 |  00 |
| **Total cost for 20Ha** |  **4,906,500**  | **00** |
| Loan principal and interest (cost per Hectare) |  267,404 | 25 |
| **Total for 20Ha** |  **5,348.080** |  **00**  |
|  |  |  |

 **REVENUE**

|  |  |
| --- | --- |
|  |  |
| **1st production cycle** |  **₦ K** |
| **Revenue per hectare** |  **435,000 : 00**  |
| **For 20Ha** |  **8,700,000 : 00** |
|  |  |
| **Net revenue**  |  **5,700,000 : 00** |
| **2nd Production Cycle** |  |
| **Net revenue** |  **6,700,000 : 00** |
|  |  |
| **Annual Net Revenue ( 1st + 2nd Cycle)**  |  **12,400,000 : 00**  |

**Currency conversion rate:₦400.00 to 1USD**

1. **FUNDING MECHANISM**

The Sole Proprietor of this proposed business, Ebunoluwa Afolabi and her family members shall fund the entire business. In other words, the 20Ha cleared land and other processing equipment shall be funded by the Afolabi Family Dynasty.

1. **CONCLUSION**

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