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MATRIC NO: 18/LAW01/057

COURSE TITLE: INTRODUCTION TO ENTREPRENEURSHIP (GST 212)

ASSIGNMENT TITLE: BUSINESS PLAN

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Signature:

Name:

Date:

1. Executive Summary/Project Description:

This business plan examines the feasibility and economic viability of the development of a 300hectares yam factory and the establishment of a yam flour factory in Sokoto by Christbeth and Christbeth Cooperative Society Limited. The farm will produce about 4000 tubers of yam in a production cycle. Some of the Yam will be sold across all markets in Sokoto state. The other yams will be taken to the yam flour factory where it will be processed into pondo flour. The yam flour will be well packaged at the factory and taken to Akino central market where it will be sold to traders. It will also be sold to other wholesalers and retailers who will sell to their final consumers.

The proposed project will bring about some form of development to many indigenous communities; create economic opportunities, reduce poverty, impact positively on the people's nutrition and help reduce the rate of import for such foods. The yam to be processed into yam flour will be sourced locally through direct production, contract farming in Sokoto state and direct purchase from traders. The project will create market access, improve income of traders and hawkers and contribute significantly to food security. It will also generate satisfactory returns for sponsors and investors.

2. Sponsorship:

The project is to be sponsored by Christbeth Ujomor, who is a successful entrepreneur, a specialized farmer in Sokoto State. Christbeth Ujomor is promoting the productivity and development of smallholder farmers in Sokoto State through the Farmer's Cooperative Limited. SimiAgribusiness Ventures & Consultancy will be responsible for the management consultancy of the projects.

3. Management:

The management will encompass of a democratically elected Board of Directors at the peak of the organization structure. This will comprise of shareholders and member of the cooperative who have stake in the survival, growth and profitability of the business as well as distinguished agribusiness professionals of proven integrity and vast experience in the project area. The prime objective of the board will be to give strategic directions and policies that will ensure long term success of the organization. The board will ensure that the organization complied with all standards set by regulatory authorities.

The Managing Director/President shall be responsible for the co-ordination of the day to day management of the cooperative business. She is accountable to the Board of Directors; he

will mobilize organization resources to achieve set goals. She will manage business risks and focus on wealth creation.

4. Technical Assistance:

The yam flour factory shall constitute some equipment which shall facilitate production.

These include the; Yam slicer, Miller, Drier, Parboiler, Weighing scale, Seiving machine and other materials.

There shall also be staff working at the factory to help facilitate the production and distribution process.

5. Sales and Markets:

Market orientation: domestic; South West & South East, Nigeria

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

Users of Products: the yam flour will be consumed by customers nationwide

6. Technical Feasibility:

The projects (production of plantain and plantain chips) are technically feasible. In terms of technology, which involves slicing of the yam, parboiling, milling. The industrial processes are simple and farmers with high experience in harvesting yams will be employed.

For the yam flour 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 Sokoto 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.

7. Government Support and Regulation:

The project conforms with the economic diversification objective of the 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.

8. Project Timeline:

This project will be completed within 2 months (July2020 – September 2020).

9. Estimated Costs and Revenue:

Fixed Costs

a) Land Clearing

Activity	Quantity	Naira	kobo
Land Clearing	1 Hectares	230,000	00
Cross Cutting	1 Hectares	20,000	00
Rome Ploughing	1 Hectares	50,000	00
Sub total	1 Hectares	300,00	00
Total	300 Hectares	90,000	00

b) Equipment

Name	QTY		USD	₦	K
Yam slicer	100		1,250	500,000	00
Bowl	200		150	60,000	00
Sieve	200		200	80,000	00
Cooker	15		1,250	500,000	00
Mill	50		250	100,000	00
Weighing scale	100		500	200,000	00
Packing bags	2000		250	100,000	00
Bag sealing machine	2		750	300,000	00
Sub total			4,600	1,840,000	00

c) Vehicle

Type	Model	Quantity	Naira	Kobo
Pick- up Truck	Hilux	4	50,000,000	00

d) Irrigation

Type	QTY	Model	USD	₪	K
Hose Reel	1	140 – 440MT	28,186	1,0146,960	: 00

e) Operation Costs

Working Capital	₪	K
Ploughing/Ha	15,000	00
Harrowing/Ha	10,000	00
Sub total	25,000	00
For 300Ha	7,500,000	00
Mechanization and storage	105,000	00
For 300Ha	21,000,000	00
Input / Ha	91,825	00
For 300Ha	27,547,500	00
Area yield insurance	13,500	00
Produce aggregation	5,500	00
Geo Spatial Service	4,500	00
Sub total	23,500	00
For 300Ha	7,050,000	00
Interest per hectare	6,632,700	00
For 300Ha	4,415,800	00
Total cost per hectare	245,325	00
Total cost for 300Ha	49,065,000	00
Loan principal and interest (cost per Hectare)	267,404	25
Total for 300Ha	53,480,800	00

Irrigation cost for 300Ha(excluding fixed cost)	24,018,120	00
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REVENUE

1st production cycle	₦	K
Revenue per hectare	435,000	: 00
For 300Ha	130,500,000	: 00
Net revenue	130,935,000	: 00
2nd Production Cycle		
Net revenue	21,510,090	: 00
Annual Net Revenue (1st + 2nd Cycle)	152,445,000:	00

Currency conversion rate: ₦400.00 to 1USD

10. Funding Mechanism

All sorts of funding for this proposed business shall be handled by Yomi Kasali who is the Sole Proprietor of the business.

11. Conclusion

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