**Project Timeline**

The project is centred upon the development of a farm. The project will be completed within 6months preferably between November, 2020 to April,2021 because land clearing is mostly done in the dry season.

**7.0 Estimated Project Costs and Revenue**

**Fixed Cost**

1. **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** | 400 Hectare | **120,000,000** | **00** |

**(B) Equipment**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name** | **QTY** | **MODEL** | **USD** | **₦** | **K** |
| Tractor | 1 | YTO-904(90hp) | 24,450 | 8,802,000 | 00 |
| Disc harrow | 1 | IBJ- 3.0 | 3,520 | 1,267,200 | 00 |
| Sub soiler | 1 | IS-200G | 3,250 | 1,170,000 | 00 |
| Soy seeder | 1 | 2BFY-6C | 4,950 | 1,782,000 | 00 |
| Tripper | 1 | 7CX-8T | 9,450 | 3,402,000 | 00 |
| Combine Harvester | 1 | 4YZ-6 | 103,500 | 37,260,000 | 00 |
| Boom sprayer | 1 | 3W-1000L-18 | 6,950 | 2,502,000 | 00 |
| Front loader | 1 | TZ10D | 6,570 | 2,365,200 | 00 |
| **Sub total** |  |  | **159,390** | **57,380,400** | **00** |

**(C) Vehicle**

**Type Model QTY ₦ K**

|  |  |  |  |
| --- | --- | --- | --- |
| **Pick up Truck** | **HILUX** | **2** | **30,000,000 : 00** |

1. **Irrigation**

**Type QTY Model USD ₦ K**

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

**Operating Cost**

|  |  |  |
| --- | --- | --- |
| **Working Capital** |  |  |
|  | **₦** | **K** |
| Ploughing/Ha | 15,000 | 00 |
| Harrowing/Ha | 10,000 | 00 |
| Sub total | 25,000 | 00 |
| **For 400 Ha** | **10,000,000** | **00** |
| Mechanization and storage | 105,000 | 00 |
| **For 400Ha** | **42,000,000** | **00** |
| Input / Ha | 91,825 | 00 |
| **For 400Ha** | **36,730,000** | **00** |
| Area yield insurance | 13,500 | 00 |
| Produce aggregation | 5,500 | 00 |
| Geo Spatial Service | 4,500 | 00 |
| Sub total | 23,500 | 00 |
| **For 400Ha** | **9,400,000** | **00** |
| Interest per hectare | 22,079 | 25 |
| **For 400Ha** | **8,831,700** | **00** |
| Total cost per hectare | 245,325 | 00 |
| **Total cost for 400Ha** | **98,130,000** | **00** |
| Loan principal and interest (cost per Hectare) | 267,404 | 25 |
| **Total for 400Ha** | **106,961,700** | **00** |
| **Irrigation cost for 400Ha (excluding fixed cost)** | **24,018,120** | **00** |

**Amortization**

**₦ K**

|  |  |
| --- | --- |
| **Land clearing amortization (per hectare)** | **30,000 : 00** |
| **Land clearing amortization (400hectare)** | **12,000,000 : 00** |

**REVENUE**

|  |  |
| --- | --- |
| **Yield per hectare 3tonnes@ ₦145000 per tonne** |  |
|  | **₦ K** |
| **Revenue per hectare** | **435,000 : 00** |
| **For 400Ha** | **174,000,000 : 00** |
| **Net revenue for 400Ha(without amortization)** | **67,038,300 : 00** |
| **Net revenue with amortization(400ha clearing)** | **55,038,300 : 00** |
| **2nd Production Cycle** |  |
| **Net revenue** | **43,020,180 : 00** |
| **Net revenue with amortization(400ha land)** |  |
| **Annual Net Revenue ( 1st + 2nd Cycle)** | **98,058,480 : 00** |

**Currency conversion rate:₦360.00 to USD**

**Funding Mechanism**

Namco ltd will provide 400Ha of cleared farmland around the university and lease it to members of the cooperative. ABUAD will also lease 6,000MT 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.