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**Course Title: Introduction to Entrepreneurship.**

**A Feasibility report on the development of a four hundred hectares maize production, processing and packaging plantation to be located at Fediza farms Ltd Kagoro Kaduna, Nigeria by Cornfield industries.**

**Executive Summary**

Fediza farms Ltd is a registered commercial farm that will be based in the outskirts of Kagoro, Kaduna– Nigeria. We have done our detailed market research and feasibility studies and we were able to secure a well – situated and suitable farm land to start our commercial maize farming. The farm will yield up to 5 tons per hectare in a production cycle.

Our commercial maize farm is a standard farm hence will be involved in commercial maize cultivation, maize processing and packaging. We will be involved in both organic commercial maize farming and non – organic commercial maize farming.

We have put plans in place that will help us launch a standard and world – class maize processing plant within the first three years of officially running Fediza Farm Ltd. We will process and package maize and ensure that they flood the market both in Nigeria and in other countries of the world.

We want to compete with the best in the industry, which is why asides from the fact that we have secured the required farm land and most of the farming equipment and machines, we have also hired some key employees who are currently undergoing training so as to fit into the ideal picture of the 21st century commercial maize farm workforce that we want to build.

We are in the commercial maize farming business because we want to leverage on the vast opportunities available in the commercial farming industry to contribute our quota in growing the Nigerian economy, in national food production, raw materials production for industries, to export agriculture produce from Nigeria to other countries and over and above to make profit.

Fediza Farms Ltd is well positioned to become one of the leading commercial maize farms in Nigeria, which is why we have been able to source for the best hands and farm machinery to run the farm with. We have put processes and strategies in place that will help us employ best practices when it comes to commercial maize farming as required by the regulating bodies in Nigeria.

**Sponsorship**

Fediza Farms Ltd is a family business that is owned by Miss Elizabeth Digha Feboke and her immediate family members. The farm, business will be fully and single handedly financed and managed by Miss Elizabeth Feboke and her immediate family members. They may decide to welcome other partners in the future.

**Management**

Fediza farms Ltd is a commercial maize farm that intends starting small in Kagoro-Kaduna, but hopes to grow big in order to compete favorably with leading commercial maize farms in the commercial farming industry both in Nigeria and on the global stage.

We are aware of the importance of building a solid business structure that can support the picture of the kind of world class business we want to own. For this reason, we are committed to only hire the best hands in and around Kaduna.

At Fediza Farms Ltd, we will ensure that we hire people that are qualified, hardworking, dedicated, customer centric and ready to work to help us build a prosperous business that will benefit all the stake holders (the owners, workforce, and customers).

In view of the above, Fediza Farms Ltd. have decided to hire qualified and competent hands to occupy the following positions;

* Chief Operating Officer
* General Farm Manager
* Administrator/Accountant
* Maize Cultivation Manager/Supervisor
* Maize Processing and Packaging Plant Manager
* Sales and Marketing Executive
* Field Employees
* Front Desk Officer

The team shall be headed by the chief operating officer whose roles will be to increase management’s effectiveness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results; developing incentives; developing a climate for offering information and opinions; providing educational opportunities.

**Technical support**

 The Cornfield industry is working with the Bank of Agriculture (BOA). The bank has agreed to finance the 400 hectares of maize through a loan at 10% interest rate given to the cooperation.

**Market and sales**

Our high quality maize will sell for 15,000 to 18,000 naira per 100kg bag. It will be processed into Flour, Beer, Malt drink, Breakfast cereals, Starch, Syrup and Animal feed. It will also be used as raw materials in various industries like Food and Beverages, Pharmaceutical and the Oil industry

**Market potential**

The annual demand for maize in Nigeria is currently put at about 7 million MT. this means that the demand for maize and maize derivatives in the country is high in most parts of Nigeria. This means that there is a lot of opportunity to make profit and grow the business. The high demand and use of maize in the livestock feed industry and its high demand for local consumption is what drives the market.

**Tariff and Import restrictions**

Forex restrictions on food importation and zero duty on imported agricultural equipment will favor the project considerably.

**Profitability**

Even though maize is commercially lucrative, there are some risks connected with growing it. For instance, maize is extremely sensitive to drought. Sometimes droughts in Nigeria and other African countries led to the crop's failure, and in some cases, it even resulted in famine. Furthermore, import can influence the profitability of any crop in any country. With every passing day, the agricultural industry in Nigeria is developing and advancing. Many agriculture workers have already appreciated the benefits of maize cultivation. This is because this problems and risks can be solved and avoided through technical, scientific and financial means.

**Government support and regulations**

This project will conform to the objective of diversification maintained by the government. It also supports foreign exchange and reduces import. The project will contribute to employment, output increase, stable price and stable exchange rate. These are some of the few reasons why the project should benefit from the government intervention fund. A favorable zero duty for agricultural and equipment import would also be a huge benefit to the project. Restriction of Forex for goods will also widen the market opportunity.

**Project Timeline**

The project will be completed within 8 months preferably between May 2021 and November 2021.This is because May is the best time to plant maize.

**Estimated project cost and revenue**

**1. Fixed Cost**

**a. Land Clearing**

|  |  |  |
| --- | --- | --- |
| **Activity** | **Quantity** | **Amount(naira)** |
| Land clearing | 1 Hectare | 150,000 |
| Rome ploughing | 1 Hectare | 70,000 |

**TOTAL = 220,000 Naira**

**b. Equipment**

|  |  |  |
| --- | --- | --- |
| **Name** | **Quantity**  | **Amount( naira)** |
| Tractor | 1 | 9,500,000 |
| Harvester | 1 | 4,980,456 |
| Plough  | 3 | 24,560,000 |
| Tiller | 1 | 1,250,000 |
| Sprayer | 2 | 2,345,890 |

**Total= 42,636,340 Naira**

**c. Vehicle**

|  |  |  |  |
| --- | --- | --- | --- |
| **Type** | **Quantity** | **Model** | **Amount(naira)** |
| Pickup Truck | 2 | HILUX | 30,000,000 |

**Total= 30,000,000
d. Irrigation**

|  |  |  |  |
| --- | --- | --- | --- |
| **Type** | **Quantity** | **Model** | **Amount(naira)** |
| Horse Reel | 1 | 140-440MT | 1,146,960 |

**Total= 1,146,960 naira**

 **2. Operating Cost**

 **Working Capital**

|  |  |
| --- | --- |
|  | **Amount( Naira)** |
| 1. **Ploughing/Ha**
 | **15,000** |
| **For 400 Ha** | **60,000** |
| 1. **Mechanization and Storage**
 | **105,000** |
| **For 400 Ha** | **42,000,000** |
| 1. **Input/Ha**
 | **91,825** |
| **For 400 Ha** | **36,730,000** |
| 1. **Interest/ Ha**
 | **22,079** |
| **For 400 Ha** | **8,831,700** |
| 1. **Total cost/ Ha**
 | **245,325** |
| **For 400 Ha** | **98,130,000** |
| **Vi. Loan principal and interest per 400 hectares** | **106, 961,700** |
| **Vii. Irrigation cost for 400 Ha (excluding fixed cost)** | **24,018,120** |

**Revenue**

|  |  |
| --- | --- |
| **Yield per hectare 5 tones @ 145,000 per tone** |  |
|  | **Amount(naira)** |
| **Revenue per hectare** | **435,000** |
| **For 400 Ha** | **174,000,000** |
| **Net revenue for 400 Ha** | **67,038,300** |
| **2nd Production cycle** |  |
| **Net Revenue**  | **43,020,180** |
| **Annual net revenue(1st and 2nd cycle)** | **110,064,480** |

**Funding:**

35% of the total capital will be taken from long term loans while the remaining 65% will be from personal sources.

**Conclusion:**

The project is technically feasible and commercially viable and as such is recommended for funding.