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Matric number: 18/ law01/002

Course code: introduction to entrepreneurship

Course title: GST 212

Department: law

Question

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

ABIMBOLA AND CO AGRICULTURAL BUSINESS LIMITED

PROJECT: A business plan for the development of a two hundred hectares of yam plantation at the abimbola egbelosa farm, Owerri state, Nigeria by Abimbola and co agricultural business limited.

 A BUSINESS PLAN FOR THE DEVELOPMENT OF A TWO HECTARES OF YAM PLANTATION AT THE ABIMBOLA EGBELOSA FARM , OWERRI STATE, NIGERIA BY ABIMBOLA AND CO AGRICULTURAL BUSINESS LIMITED CONFIDENTIALITY AGREEMENT

The undersigned reader acknowledges that the information is a confidential project: therefore the party this is being addressed to agrees not to disclose the issues being discussed to a third party without a written permission of the owners of the business plan.

 It is acknowledged by the reader that the information tabled in this in the business plan ia in all respect private in nature, that is , any disclosure or use of information by the reader may cause serious serious damages to the promoter and owner of this business plan.

 Upon request, this document should be immediately returned to the owners of the business.

Name:

Date:

Signature;

Content of a feasibility report

Executive summary/ Brief discussion of the project

Sponsorship, Management and Technical Assistance

Market and sales

Technical feasibility, Resources and Environment

Government support and Regulation

Timelines of project

Estimated project cost and revenue

Funding mechanism

Conclusion

Executive summary or description of the project

This business plan examines the feasibility of an indeed economic viability of the development of a 200 hectares yam plantation in Abimbola Egbelosa farm owerri state by Abimbola and co Agricultural limited . the farm will produce about 3000 tonnes of yam in a production cycle. Due to our population, there is a high demand for this product.

 This proposed project will create an economic opening for people and positive impact on young individuals . it will help conserve our mineral resources and other resources. The yam to be produced will all be produced the natural way and it will be sourced in owerri state and direct purchase from the wholesalers not the retailers. The project will increase farmers income and contribute a lo to food security and the agricultural world.. it qill also generate a lot of income for the sponsors.

Sponsorship, management and technical assistance.

The project is being sponsored by mrs.Abimbola Opemipo and her darling husband MR. Abimbola davido and the food security association of Nigeria promoting the productivity of smallholder farmers in owerri through the Abimbola egbalosa agricultural business limited . the sponsors have hired a lot of experienced personnels for this project. The food security team will be in charge of any consultancy or questions regarding this project.

 The management will consist of a democratically elected board of directors at the apex of the organizational structure. This will be made up of members of the cooperative who have sake in the survival of this business as well as distinguished members who have added a lot of money to the business. And have proven their vast knowledge in that area. The main objective of this board is to give strategic answers to difficult situation and policies that will ensure long term success of the organization. The board will make sure that the organization is up to date and making the estimated profit.

 One of the sponsors has a good working relationship with the federal college of agriculture, ekiti through an executed MOU. the college has mandate in yam production and will provide technical assistance in this regards. The sponsor also has a relation with the bank of agriculture. The cooperative will also seek grant from the united state Africa development foundation. The university has relationship with commercial banks and will approach one for loan to clear the land which will be leased to members of the cooperative.

 Market and sales

Market orientation: domestic- south west and south east, Nigeria

Market share: 6% niche market in south west, south east Nigeria.

Users of products: edible for humans and animals, paper, fabrics and building materials for industries.

Competition analysis

Benue state alone produced 44% of national output between 1999 and 2017. Kaduna state followed with 27% of national output within the period. Taraba, plateau, kano, niger and katsina produced 6% and below in the period. The seven state mentioned above produced 94% of national input within the period. The only places where significant production took place in the southwest, Nigeria was in saki west LGA, in oyo state and akure north L.G.A in ondo stae. Based on this above analysis, competition in erms of production in the south west, Nigeria is non-existent compare to the demand for produce.

Traffic and import restriction

Forex restriction on food importation and zero duty on imported agricultural equipment will favor the project under consideration.

Market potential

There is a high demand for yam all around Nigeria and Africa. Yam is one of the agricultural products that is largely consumed in Nigeria.

Technical feasibility.

The projects are technically feasible. Yam requires less time and less labour compared to rice maize e..t.c however, it does require hard labour before the harvest because the roots are higly perishable and must be processed into a storable barn immediately after harvest.

Government support and regulation

The project conforms to the economic diversification objective of the government, it also supports foreign exchange . the project will benefit from the favourable policy of zero duty for agricultural and equipment import. Restriction of forex for all food products will also widen market opportunity. The project will contribute significantly to employment. Output increase, stable price and stable exchange rate.

Project timeline

The project will be completed within 2 years.

Estimated project cost and revenue

Fixed cost

Land clearing

|  |  |  |
| --- | --- | --- |
| **Activity**  | **Qty**  | **N k**  |
|  Land clearing  | 1 hectare | 115,000 00 |
| Rome ploughing | 1 hectare  | 25000 00 |
| Total  | 200 hectares  | 145,000 00 |

Equipment

|  |  |  |  |
| --- | --- | --- | --- |
| **NAME** | **QTY MODEL**  | **USD** | **NAIRA** |
| Tractor | 1 john deere tractor | 509EN 43,632 | 16,803,232.00 |
| Combine harvester | 4lz-5 | 13,500 | 5,199,020.00 |
|  |  |  |  |
| Total  |  | 57,132 | 22,002,252.00 |

Vehicle

|  |  |  |
| --- | --- | --- |
| **TYPE** | **QYT MODEL** | **NAIRA** |
| PICK-UP TRUCK  | 3 MERCEDES-BENZ ACROS 2841 | 20,102,859.00 |

Irrigation

|  |  |  |  |
| --- | --- | --- | --- |
| **TYPE**  | **QTY MODEL** | **USD** | **NAIRA** |
| Hose reel 2 | Eley hose reel model 1042 | Standing  | 188.99145,564 .00 |

OPERATING COST.

|  |  |  |
| --- | --- | --- |
| WORKING CAPITAL | NAIRA | KOBO |
| ploughing | 7,500 | 00 |
| harrowing | 5,000 | 00 |
| Sub total | 12,500 | 00 |
| For 200 hectares | 25,000,000 | 00 |
| Mechanization and storage | 52,500 | 00 |
| For 200 hectares | 21,000,000 | 00 |
| Input  | 45,912 | 00 |
| For 200 ha  | 18,365,000 | 00 |
| Area yield insurance | 6,750 | 00 |
| Produce aggregation | 2,750 | 00 |
| Geo sapital service | 2,250 | 00 |
| Sub total | 11,750 | 00 |
| For 200 Ha | 4,700,000 | 00 |
| Interest per hectares | 11,039 | 00 |
| For 200 Ha | 4,415,850 | 00 |
| Total cost per hectare | 122,662 | 00 |
| Total cost for 200 Ha | 49,06500 | 00 |
| Loan principal and interest (cost per Hectares) | 53,480 | 00 |
| Total for 200 Ha | 53,480 | 00 |
| Irrigation cost for 200 Ha(excluded fixed cost) | 12,009,060 | 00 |

Amortization

|  |  |
| --- | --- |
| Land clearing amortization (per hectares) | 15,000 .00 |
| Land clearing amortization(200 hectares) | 6,000,000.00 |

Revenue

|  |  |
| --- | --- |
| **Yield per hectare 2 ½ tones at 72,500 naira per tonne** | **naira** |
| Revenue per hectare | 217,500.00 |
| For 200Ha | 87,000,000 .00 |
| Net revenue for 200Ha (without amortization) | 33,519.450.00 |
| Net revenue with amortization(200ha clearing) | 27,519,150.00 |
| 2nd production cycle | 653,113,975.00 |
| Net revenue  | 21,510,090.00 |
| Net revenue with amortization(200ha land) | 45,890,065.00 |
| Annual net revenue (1st + 2nd cycle) | 49,025,240.00 |

Funding mechanism

Abimbola and co will provide 200HA of cleared farm land in owerri and lease it for this project. If the money from the investors are not enough, then we can secure a loan with the help of the government at the bank of agriculture.

Conclusion

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