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COURSE: FOOD PRODUCTION AND HEALTH AWARENESS (AFE 202).

ASSIGNMENT

Prepare a business plan on a chosen agricultural enterprise following the guideline in the note. Minimum of 5 pages, Times New Roman size 12 with double spacing.

A FEASIBILITY REPORT/ BUSINESS PLAN FOR THE DEVELOPMENT OF TOMATO PLANTATION AND ESTABLISHMENT OF OVER 300 METRIC TONNES OF TOMATO PASTE AT MODUPE UNIVERSITY FARM, ONDO STATE, NIGERIA BY ODUSHOGA AGRIBUSINESS VENTUTRES AND CONSULTANCY CONFIDENTIALITY AGREEMENT.

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 the information furnished in this business plan is in all respect confidential in nature, other than information which is in the public domain through which other means and that any disclosure or use of the same by the reader, may cause serious harm to the promoters of the proposed business.

SIGNATURE;

NAME;

DATE;

CONTENT OF A FEASIBILITY REPORT

1. Executive summary/ brief Description of the project.
2. Sponsorship, Management and Technical Assistance.
3. Market and Sales.
4. Technical Feasibility, Resources and Environment.
5. Government Support and Regulation.
6. Timelines of projects.
7. Estimated Project Cost and Revenue.
8. Funding Mechanism.
9. Conclusion.
10. EXECUTIVE SUMMARY/ PROJECT DESCRIPTION.

This business plan examines the feasibility of and indeed the economic viability of the development of the production of tomatoes and establishment of tomato paste extraction plant in Yusuf Farms & Co. The farm would produce tomato annually by over 2.3 million metric tons and tomato paste extraction by over 300,000 metric tons annually as well. The tomato paste may be used in various forms in the making of various treatments and foods. There is also high demand of these products because of the huge population. The produce of tomato is currently popular in the northern states such as, Kano, Jigawa, Plateu, Benue, Kaduna, Gombe, Bauchi, Sokoto, Kebbi, Nassarawa. Zamfara and Kogi posses the largest tomato plantation. There are also certain parts of the south that produce tomatoes.

Nigeria is the second largest producers of fresh tomatoes in Africa production.

The proposed project will create economic opportunities, impact positively on the people and help conserve scarce foreign exchange. 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 sponsored by Alhaji Damburuba Yusuf, a professional agricultural luminary and the founder of Yusuf farms & Co., Kano State. He is promoting the productivity of smallholder farmers in Kano.. The project is to be managed by Adamu agribusiness ventures.

MANAGEMENT

The management of the project as said to be taken up by Adamu Agribusiness ventures will team up with executive elected board members who would stake in the profitability of the business. The objective is to give strategic directions and polices to ensure the long term success of the organization. The president would be in charge of coordination of day to day management of the cooperative business. He would manage business risks and ensure wealth creation.

TECHNICAL ASSISTANCE

The company has a working relationship with NABG (Nigeria Agribusiness Group)- an organization deemed on strengthening opportunities in the tomato value chain in Nigeria. And also Dangote Tomato Factory that has resumed on the creation of tomato paste. Both business groups have joined hands with the company in making this business plan a success and to meet the specified goals of the project.

MARKET AND SALES

Market orientation domestic: South West & south East Nigeria

Market share: 10% niche market in both the South West and South East.

Users of products: Edible food substance for humans, paste form to enhance food tastes.

COMPETITION ANALYSIS

The produce of tomato takes active parts in the northern states. Kano tends to top the list of states producing tomatoes and they are regarded in the produce of almost 80% of all tomatoes in the country and 2% all over the world. Other states including Jigawa, Kwara, Oyo and Bornue also tend to yield tomatoes in a bountiful supply but still have not reached the rate at which we had attained.

TARRIF AND IMPORT RESTRICTION

Restriction of food importation and zero duty on imported agricultural equipment would favor the project. It tends to encourage the independence of the state and company.

MARKET POTENTIAL

There is a high demand for tomato and tomato paste produce in the eastern part of the country. The state of infrastructure, although not perfect would encourage production trade within the country.

PROFITABILITY

Biological, weather, chemical, physical and environmental factors such as temperature, sunlight , water and soil and other important variable conditions are also required to be put into consideration such as e.g the invation of pests on the growing produce which would affect the yield and profitability of produce. However necessary precaustions will be put in place to avoid such lapses in production.

TECHNICAL FEASIBILITY

The projects are technically feasible. In terms of technology, which involved the processing of the tomato into the tomato paste. The process is quite simple given the industrial team at out disposal, with over 30 years of experience in the field. On the tomato production, specialists in the fields of mechanization, farm management and irrigation are part of the manage ment team which makes the whole process quite easy and doable. We are implementing our project using the best international practices, sustainable production and due consideration for the environment.

GOVERNMENT SUPPORT AND REGULATION

The projects conform with the economic diversification objective of the government. It supports foreign and local exchange and import reduction conservation of government. It also creates economic opportunities, market access and even job opportunities for farmers the restriction of Forex for all food products will also widen market opportunities.

PROJECT TIMELINE

The project will be completed within 7 months preferably between May, 2020 to November, 2020.

ESTIMATED PROJECT COSTS AND REVENUE

Fixed cost

1. Land clearing

|  |  |  |  |
| --- | --- | --- | --- |
| ACTIVITY | QTY | NAIRA | KOBO |
| Land clearing | 1 Hectare | 350,000 | 00 |
| Cross cutting | 1 Hectare | 30,000 | 00 |
| Rome ploughing | 1 Hectare | 60,000 | 00 |

1. OPERATING COST

|  |  |  |
| --- | --- | --- |
| Working Capital | Naira | Kobo |
| Ploughing | 15,000 | 00 |
| Harrowing | 10,000 | 00 |
| Sub total | 25,000 | 00 |
|  |  |  |
| Mechanization and storage | 105,000 | 00 |
|  |  |  |
| Input | 91,825 | 00 |
|  |  |  |
| Area yield insurance | 13,500 | 00 |
| Produce aggregation | 5,500 | 00 |
| Geo Spatial Service | 4,500 | 00 |
| Sub total | 23,500 | 00 |
|  |  |  |
| Interest per Hectare | 22,079 | 25 |
|  |  |  |
| Total cost per hectare | 245,325 | 00 |
|  |  |  |
| Loan principal and interest  | 267,404 | 25 |

1. VEHICLE

|  |  |  |  |
| --- | --- | --- | --- |
| Vehicle type | model | naira | kobo |
| Pickup truck | Hilux | 30,000,000 | 00 |

1. IRRIGATION

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Type  | QTY | model | naira | kobo |
| Hose Reel | 1 | 140-440MT | 1,0146,960 | 00 |

FUNDING MECHANISM

Yusuf Farms & Co will provide the cleared land and lease it to members of the cooperative. Securing loan at the rate of 10% 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.