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A BUSINESS PLAN FOR THE DEVELOPMENT OF A TWO HUNDRED HECTARES OF CASSAVA AND ESTABLISHMENT OF 40 BAGS OF GARRI PER DAY AT THE AARE AFEBALOLA FARM, ADO-EKITI EKITI STATE, NIGERIA BY EDEBHAGBA & NOSA NIGERIAN LIMITED

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Upon request, this document is to be immediately returned to the promoters of the proposed business

Signature:

Name:

Date:

Project Description

This business plan examines the practicability of and viability of the development of a 250 hectares containing cassava and the establishment of garri in EKITI state by AARE AFEBALOLA farmers association. The farm will produce about 2000 bags of garri in a

production cycle. The cassava extraction plant will process about 5,000 bags of garri, several amounts of Tapioca's, santana, fermented flour and industrial raw material (starch, chips, pellets,). There is high domestic demand for these products because of our huge population and an increase in needs for these items and there seems to be a lot of production challenges leading to shortage of what will soon be regarded as an essential commodity. Production is currently popular in the East in Enugu and South South with Edo State as the lead producer

The proposed project will create economic opportunities, impact positively on the people and help with increment in number of available jobs and also help to reduce the over dependency on foreign exchange. The entire cassava to be used will be sourced locally from indigenous farmers through direct production, contract farming in EKITI State. The project will create market access, improve income of farmers and contribute significantly to food security.

Sponsorship

The project is sponsored by Edebhagba .N. Emmanuel CEO of Sparklean Services Nigerian limited and The United States of America Embassy Nigeria and also the Federal Ministry of Agriculture Nigeria and others. Edebhagba .N. Emmanuel is promoting the productivity of subsidiary farmers in EKITI State through the AARE AFEBALOLA Farmer's Cooperative Limited. The company in coalition with the Federal Ministry of Agriculture has a Department of Agriculture and experts with many years of experience in the project being proposed. Edebhagba & Nosa Nigerian Limited will be responsible for the management consultancy of the projects.

Management

The management will comprise of a fixed and well experienced Board of Directors cutting across all sponsors at the apex of the organization structure. This will be made up of shareholders and member of the cooperative. The Managing Director shall be responsible for the co-ordination of the day to day management of the cooperative business. He is accountable to the Board of Directors; he will mobilize organization resources to achieve set goals. He will manage business risks and focus on wealth creation.

Technical Assistance

The Company like I said earlier has a healthy working relationship with the Ministry of Agriculture and as well as the United States of America Embassy who will well be bringing in foreign delegates.

The company has a working relationship with EKITI State Government, EKITI State Ministry of Agriculture, Farmers' Union and individual farmers. The Company will get technical support from this relationship in the area of production through contract farming or out grower scheme.

Market and Sales

Market orientation: domestic; North and west, Nigeria

Market Share: 5% niche market in the North, Nigeria

Users of Products: marketers, domestics use.

Competition analysis

Edo State alone produced 54% of national output between 2000 and 2020. Delta State followed with 25% of national output within the period. The two states mentioned above produced 94% of national output within the period.

Market Potential

There is strong demand for cassava and cassava derivatives in the Northern part of Nigeria. The state of infrastructure though not perfect still supports production and trade within Nigeria.

Profitability

Weather, biological, chemical, physical and environmental factors such as temperature, sunlight, water, air, soil conditions, varieties of seed, pests, diseases, price fluctuations and other risks. However, technical, scientific and financial based solutions will be employed to hedge against risks and safeguard profit. Irrigation option will be factored in to ensure two cycle of production in a year.

Technical Feasibility

The projects (production of cassava) are technically feasible. In terms of technology, which involves the peeling of cassava and grinding, the industrial processes are simple and a specialist in cassava production with 10 years' experience is part of our team. We also have specialists in quality control as part of our management team. The state of infrastructure around the Company and generally in EKITI state 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. Organic fertilizer will be substituted for chemical fertilizer within three years of farm operations.

Government Support and Regulation

The project is well supported by the Federal Ministry of Agriculture and it also conforms to the economic diversification objective of the government. It also supports foreign exchange and import reduction conservation of government. It creates economic opportunities, market access, and improved income for farmers and support food security objective of government. The

project will contribute significantly to employment, output increase, stable price and stable exchange rate.

Project Timeline

The project will be completed within 12months preferably between March 2019 to March 2020 because land clearing is mostly done in the dry season.

Estimated Project Costs and Revenue

Fixed Cost

(A) Land Clearing

Activity	QTY	₦	K
Land Clearing	2Hectare	300,000	00
Ridges	1Hectare	30,000	00
Total	200	500,000	00

(B) Equipment

Name	QTY	MODEL	YEN	₦	K
Tractor	2	YTOZ-904(950hp)	30,450	10,802,000	00
Harvester	3	IKOJ- 3.0	3,520	1,267,200	00

Amortization

	₦	K
Land clearing amortization (per hectare)	40,000	: 00
Land clearing amortization (200hectare)	25,000,000	: 00

REVENUE

Yield per hectare 3tonnes@ ₦145000 per tonne	
	₦ K
Revenue per hectare	200,000 : 00
For 200 hectares	100,000,000 : 00
Net revenue for 200Hectares(without amortization)	40,000,000 : 00

Funding Mechanism

Edebhagba & Nosa Nigerian Limited will provide 200 hectares of cleared farmland around the company and lease it to members of the cooperative.

Conclusion

The project is technically feasible and with your well and able support it should soar even above our own expectations.