

2020

**IFIDI, Joshua
Tenadou**

18/Eng02/044
COMPUTER
ENGINEERING

**A Business Plan for the Development of a Two Thousand (2,000) Capacity
Snail Farm at Agudama-Epie, Yenagoa, Bayelsa State by DIBA Ventures.**

ENTREPRENEURSHIP

Contents of the Project plan

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

1.0 Executive Summary/Brief Description of the Project

This plan looks into the practicability of setting up a two thousand (2,000) capacity snail farm at Agudama-Epie, Yenagoa, Bayelsa State by DIBA Ventures. The farm will produce 2,000 Giant African snails each production cycle. The processing facility will extract snail slime for the cosmetics and beauty industries and will also ground snail shells into powder to serve as fillers in the ceramic, paint, animal feed, construction, and paper industries.

The domestic demand for snail and its products are higher than its supplies as such; the market potential of snail is inexhaustible.

2.0 Sponsorship, Management and Technical Assistance

This business will be sponsored by Abariwei Agba, a retired Agricultural Economist and Extension expert with years of supporting agricultural ventures in the Niger Delta region of Nigeria. Before his retirement, he played a vital role in the establishment of the Agricultural Village in Bayelsa as well as was monumental in attracting federal loans through the Central Bank of Nigeria to local farmers in both Bayelsa and Akwa Ibom states.

The business is a medium scale enterprise therefore it will possess a simple management structure. It will be a partnership between DIBA Ventures and ABAEBIBO GETT Enterprises with the latter being a silent partner. DIBA Ventures will produce the Managing Director with responsibilities pertaining to the co-ordination of the daily

management of the snail farm. They will be accountable to both partners; and will ensure that resources will be channelled towards optimising profit.

The Sponsor, Abariwei Agba has good working relations with the Bayelsa State Ministry for Agriculture and Natural resources as a result of his involvement in the establishment of the Bayelsa State Agricultural Village. As a result, his enterprise will obtain technical support from this in terms of production through contract farming. Additionally, Mr. Agba has a long lasting relationship with the Central Bank of Nigeria's Development Finance Department as well as the Izon Ibe Micro-Finance bank in Bayelsa. This relationship will grant the business access to Small and Medium Scale Enterprise loans from both organisations to fund the farm.

3.0 Market and Sales

Market orientation: Domestic; South South, South West, and South East Nigeria

Market Share: 10% niche market in South South, South West and South East Nigeria

Users of Products: Edible food for humans, snail shell powder as fillers in the ceramic, paint, animal feed, construction, and paper industries; snail slime in cosmetics and beauty industries.

Competition analysis

The market for the Giant African snail production in Bayelsa and Rivers states are stiff as snails are easily picked from the bush and sold especially during the rainy season. This is why the business will focus on making sales during the dry and harmattan seasons when snails are not readily available in the region and the competition is low.

Consequently, in the South West and South East, the demand for snail meat and its products are higher than the supplies as such; the market potential of snail is inexhaustible. Our observation shows that out of 100% snail needed in both regions annually, only 68% was available. There is, therefore, the need for increased production in other to meet up the 100% snail demand.

Finally, our biggest edge in the snail farming business is the extraction of slime as well as snail powder. A lot of snail farmers are oblivious of this aspect thereby creating a big gap in this area. From our research, only about 5% of snail farmer are into making snail shell powder and the lot of this percentage are in the South West, leaving a huge market to serve.

Profitability

The basic threats to the business are mainly unsystematic risks including the following: Presence of predators such as insects, birds, lizards, toad, frogs, nematodes, millipedes, and house flies; Human interferences including vibration and unnecessary noise from automobiles and industries within; Harsh lighting torch, lanterns and sounds; Theft and lastly pens wetting especially during the dry season. The other threats confronting the business are systematic and as such, the business shall be insured to overcome unstable government policies and regulations. However, from our analysis, it is clear that the opportunities of the business outweigh the challenges. Hence, the business idea is feasible and can be executed without running at a loss because the financial benefits level out the challenges.

4.0 Technical Feasibility, Resources and Environment

A plot of land will be used for the snail farming with a half plot dedicated to the snail farm itself which will be structured to be a green house style of farm. The green house will be built with mesh covered with nets with fine wood as pillars that will not rot during the rainy season. Every bit of the green house will be covered to prevent predators from gaining access to the farm. The nets will also grant access to rain during the rainy season. Within the farm, the floor will be cemented lightly to prevent ants, crickets and other ground insects from feeding on the snails. Several demarcations will be installed to separate the eggs from the juveniles and the juveniles from the adults.

The other half plot will be dedicated to the processing area. It will house three standard refrigerators required to keep the processed raw snail frozen before distributing to the various eateries, food stores and places of needs. A grinding machine to transform the snail shells into powder as well as a sink area where the snails will be washed and the slime extracted. A bore-hole unit to supply water to the sprinklers especially during the dry and harmattan season and a 6.5 KVA generator set to power the bore-hole unit, grinder and refrigerators.

Other direct raw materials required for the snail farm business are stated below:

1. Plastic aquarium for transportation
2. A sophisticated water sprinkler system
3. Sponges or rags
4. Pebbles holes
5. Soil (humus, from gardener's shop)

6. Ashtray or small plastic box.

5.0 Government Support and Regulation

With the need for the government to diversify the economy of Nigeria as well as the economic boost provided by small and medium scale enterprises, this business will benefit greatly from government agriculture credit facilities. Furthermore, this provides employment and supports food security.

6.0 Timelines of Projects

The project will be completed within 2 months preferably between June, 2020 to July, 2020 to meet up sales in December 2020 and January 2021 after the 5 – 6 months growth cycle.

7.0 Estimated Project Cost

7.0.1 Green House Construction

Activity	QTY	₦	K
Land Clearing	1Plot	20,000	00
Cement	10 bags	50,000	00
Mesh	20 yards	10,000	00
Wood	50 pieces	20,000	00
Sand	10 bags	15,000	00
Pipes	10 yards	10,000	00
Bore-hole	1 tank	8,000	00
Total		133,000	00

7.0.2 Processing Facility

Activity	QTY	₦	K
Refrigerators	3	300,000	00
Cement	10 bags	50,000	00

Zinc	20 sheets	20,000	00
Sand	10 bags	15,000	00
Wood	50 pieces	20,000	00
Grinding Machine	1	45,000	00
Pipes	10 yards	10,000	00
Sink	3 units	30,000	00
Generator 6.5kva	1	300,000	
Total		790,000	00

7.0.3 Snail Rearing

Activity	QTY	₦	K
Snails	500	200,000	00
Plastic Aquarium	200	50,000	00
Sponges/Rags	100	15,000	00
Pebbles holes	100 pieces	50,000	00
Ash stray	100	38,000	00
Humus Rich Soil	20 bags	70,000	00
Total		423,000	00

7.0.4 Annual Operating Expenses

Activity	QTY	₦	K
Labour		2,100,000	00
Packaging Bags		250,000	00
Utilities		200,000	00
Snail Feed		200,000	00

Liability Insurance		80,000	00
Total		2,830,000	00

7.0.5 First Year Estimated Profit and Loss

Activity	₦	K
FIRST PRODUCTION CYCLE		
Packed Snails	1,500,000	00
Packed Snail Slime	300,000	00
Packed Snail Powder	500,000	00
Total	2,300,000	00
Production Cost	4,176,000	00
LOSS	1,876,000	00
SECOND PRODUCTION CYCLE		
Packed Snails	1,500,000	00
Packed Snail Slime	300,000	00
Packed Snail Powder	500,000	00
Total	2,300,000	00
Production Cost	1,876,000	00
PROFIT	424,000	00

7.1 Financial Feasibility

From the tables above, it is evident that the profit from the first year alone will be sufficient to cover the fixed and variable costs as well as any interest incurred as a result of obtaining a loan for the farm. Within two to three years of running, the partners would have cleared their debts and will be profiting greatly from the farm.

8.0 Funding Mechanism

Abariwei Agba will provide the one plot of land for the 2,000 capacity green house farm in Yenagoa. He will also invest funds for the establishment of the greenhouse. Lastly, through his relations with the Central Bank of Nigeria's Development Finance Department in Yenagoa, the business will secure a loan at the rate of 7% interest.

9.0 Conclusion

The business from the above plan appears to be technically practicable and profitable. It should therefore be granted funding.