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BUSSINESS PLAN FOR GREENWAY FARMS LLC

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EXECUTIVE SUMMARY

Greenway Farms LLC is dedicated to sustainable, profitable and unique agricultural products. Production methods include new technology utilizing sustainable agriculture and best management practices. We hope to increase production by 20% and sales by 30% in the next five years.

Greenway Farms is owned and operated by John and Mary Okafor. The farm is 25 acres and has two round style greenhouses for production and to reduce production risk. The Okafor family has been farming for 2 years and is relatively new to the industry even though John grew up on a grain and dairy farm. The enterprise is a part-time

venture since John and Mary both work off the farm.

Greenway Farms has a net worth of over 300billion Naira. Our income statement and cash flow for 2009 is negative due to capital expenditures, start-up costs and low production. Over time these are expected to increase with the addition of fruit production and increased greens and vegetable production.

MISSION

The mission of our farm it to provide unique and wholesome produce that is enjoyable and sustainable. We work harmoniously with nature and the land to grow quality, specialty vegetables and fruit to supply local restaurants and consumers on the Eastern Parts of Nigeria.

GOALS

* Increase production from 300 cases a year to 600 cases for greens and produce 9,000 pints of

mangoes in the next two years. We will also begin a specialty vegetable enterprise.

* Increase sales from 18,564,520 Naira to 3,1829,040 Naira for greens and begin marketing raspberries at \$3 a pint in the next two years.

* The Greens will attend courses on production and management to increase profitability. Julie

Green will be the main source of labor. Seasonal help may be hired for markets or greenhouse

work.

BACKGROUND INFORMATION

BUSINESS NAME: Greenway Farm

BUSINESS ADDRESS: Term Site, UNIZIK road, Awka , Anambra State.

EMAIL ADDRESS: jgreen@greenwayfarm.com

WEB ADDRESS: greenwayfarm.com

BUSINESS PHONE NO: 090 674 667 56

TYPE OF OWNERSHIP: Partnership

BUSINESS ADVISORS

ACCOUNTANT: Number & sons Acc, Emeka Henry GRA, Onitsha, Anambra State 070 967 78954

ATTORNEY: Legal Services, Anthony Orji Plantation City, Warri, Anambra State 081 5746 4789

BANK: Farmers Bank, Onuoha Chidera Awka, Anambra State 090 7568 7567

OTHERS: Farm Insurance Inc, Agbajogu Ifeoma (ie insurance agent) Onitsha, Anambra 080 6785 5678

PRODUCTION SITUATION

The farm includes 25 acres, 1 acre includes the high tunnels, 7 acres in crop production, 6 acres are in conservation, 2 acres are the residence and 6 are in pastures. There are two separate water sources; one well supplies the residence and one well supplies livestock and high tunnels. The livestock are raised as a hobby and are not currently part of the farm enterprise. The high tunnels are round style high tunnels 26'W x 12'H x 48'L. High tunnels elevate temperatures over a period of time and offer protection from rain, wind, insects, birds and disease. They help to extend our marketing season by having crops early and late in the year. The high tunnels are for growing specialty greens and operating at a 40% production level. Varieties available include baby or micro greens and mesclun mixes. We are also experimenting with baby vegetables, such as squash and mini melons and fruits such as blackberries and raspberries. We continue to research varieties and the market for new varieties and production techniques. We use minimal inputs and utilize our nutrient management plan to be more efficient. We also use scouting and IPM for pest and disease control. See the Production Plan in the Appendix.

FORMULATE A FARM STRATEGY

STEP 1: INFORMATION GATHERING AND MARKET RESEARCH

Market Research Tools: Demographic Information through the Nigerian Census and observation.

Results of market search: * There are approximately 85,000 people in a 60 mile radius of the farm. With a growing population.

* The average family size is 2.5 and the median household income is over 41,000.

* 83% have graduated high school and 27% have a bachelor's degree

* 78% are igbos and 18% are other tribes.

* There are over 25 chain grocery stores and 8 specialty grocers

* During market season there are 7 farmers markets (5 are Saturday markets, 2 are Wednesday markets)

* Restaurants in the area include 15 fine dining areas and 22 chain restaurants.

Key Industry Trends: * More families are health conscious and seeking healthy foods.

* Salads and specialty salads have become very popular menu items. Demand has also increased for baby vegetables and micro greens.

* Promotion of 5 a day and the new food pyramid.

* Increasing interest in local foods and resources.

Step 2: S.W.O.T Analysis

Strengths

Weaknesses

Opportunities

Threats

Strengths and Weaknesses- Evaluation of the Internal Environment

Internal strengths of the Farm Business

- * Devotion to the farm business
- * Off farm income is helpful for start of the farm enterprise
- * Well known in the community and reputation for quality
- * Commitment to quality and success
- * New high tunnels with technology

Internal Weaknesses of the Farm Business

- * Do not have some of the machinery
- * Lack of farm experience and new to farm production
- * Off farm jobs take precedence over farm
- * Transportation and delivery to restaurants have been an issue of time and money
- * Finances are limited due to property purchase and start up costs

Threats and Opportunities- Evaluation of the External Environment

Competitor Analysis:

Competitor#1:

NAME: Bayview Farms

PRODUCT OFFERINGS: Seasonal Vegetables and fruits.

PROMOTIONAL ACTIVITIES: Farm market.

LOCATION OF COMPANY: 15 miles away.

COMPETITIVE ADVANTAGES: Have on farm market location to sell at, on a very busy road.

MARKET SHARE: 5%

Competitor #2:

NAME: Call Produce Distributor

PRODUCT OFFERINGS: variety of specialty produce and farm items

PROMOTIONAL ACTIVITIES: sells and delivers to local restaurants. restaurants place weekly orders

LOCATION OF COMPANY: 90 miles away.

COMPETITIVE ADVANTAGES: market to restaurants on an order basis, access to many local products

MARKET SHARE: 25%

External Threats Of The Farm Business

- * Local Farms are Competitors
- * Consumer tastes and preferences vary
- * Distribution costs
- * Product liability insurance are required for the farmers markets and by some restaurants

External Opportunities of the Farm Business

- * Local food movement is growing
- * Promotion of Farmers Markets and coupon programs by state
- * Food cooking movement
- * Lack of quality specialty vegetables at food chains
- * Chain stores shelf life of fruits are very short and lack flavor

Step 4: Selecting the best plan that fits your overall farm mission.

My Overall farm strategy.

Overall Greenway Farm's will produce high quality local products that will become known for their freshness and taste. We will keep with industry trends and grow the newest varieties of specialty greens and baby vegetables for restaurants and farmers markets. Our farm will also expand our fruit production growing raspberries and blackberries to extend the market season. We will offer niche products capitalizing on the local movement and interest in unique crops.

We are committed to the farm business and a quality product. Greenway Farms is limited by time and labor. Delivery schedules will have to be well planned due to one vehicle and cost of fuel. Mary and Julie will provide much of the marketing. The market is currently interested in local products and there is a lack of specialty items in chain stores. Greenway Farms will capitalize on this market trend.

ENTREPRISE ANALYSIS AND PLAN

An enterprise analysis has been completed for both the current enterprises and possible future enterprises.

See full enterprise budgets attached in the appendix.

SUMMARY FOR 2012

GREENS (1&1/2 greenhouse plus 1/2 acre outside)

INCOME =2,844,843.75 Naira

VARIABLE COST = 833,371.24 naira

FIXED COST = 1,671,283,18 naira

NET INCOME = 341,581,35 naira

BERRIES ESTABLISHMENT (3 acres outside plus 1 house)

INCOME = 0

VARIABLE COST = 2,174,950.29 naira

FIXED COST = 1,252,492.66 naira

NET INCOME = 3,427,442.96 naira

BERRIES ESTABLISHED YEAR 2 (3 acres outside plus 1 house)

INCOME = 10,411,200 naira

VARIABLE COST = 3,823,126.40 naira

FIXED COST = 1,252,492.66 naira

NET INCOME = 5,335,580.94 naira

SPECIALTY VEGETABLES (2 acres and 1/2 house)

INCOME = 6,832,350 naira

VARIABLE COST = 3,137,765.78

FIXED COST = 1,328,545.04 naira

NET INCOME = 2,366,039.19 naira

IMPLEMENTATION STRATEGY

Production: In order to implement this business plan Greenway Farms will follow 3 year production plan which details production and marketing details for each month. See attached timeline. We will also need to purchase product liability insurance.

Management: Management decisions will be made by John and Mary. Mary has primary responsibility for managing the marketing to restaurants and farm markets. John focuses on production aspects including the high tunnels. As the farm expands Julie will be more involved in the farm operation. Julie and Mary will also attend a local community college workshop on QuickBooks and business management.

Marketing: A detailed marketing budget has been created. We will create a logo, signage and packaging for our products. In order to move forward we will work with a local company to design and print our marketing materials. We will also start talking to restaurants and doing follow ups to generate interest in products.

Human Resources: Primary labor will be provided by the immediate family. We have access to neighborhood youth that we can recruit to help on a seasonal basis. We may need to hire part time labor as the business expands. Were needed we have the ability to custom hire major machinery or tillage operations.

Finance/ Accounting: A projected cash flow and income statements have been completed. We will meet with our bank and establish a separate farm account and line of credit for input purchases. The farm accounts will be kept through QuickBooks software.

BULIDING AND FACILITY EQUIPMENT

<i>Physical Resources</i>	<i>Description of Resource and use</i>
Land	The farm includes 25 acres, 1 acre includes the high tunnels, 7 acres in crop production, 6 acres are in conservation, 2 acres are the residence and 6 are in pastures. The soil types are very good for agricultural production and we are zoned Ag.
Livestock	We have 6 horses and 15 cows that are raised as a hobby.
Equipment	We have a 44 horsepower tractor that is used for mowing, tilling and work around the farm. Attachments to the tractor include a mower, tiller, spray equipment and loader. We also own purchased a used air blast sprayer and irrigation equipment. As the farm expands we would like to purchase a delivery van, walk in

	refrigerator box and a packing line for the greens.
Facilities	We have a horse barn with 4 stalls and a small livestock run in shed. We have 2 high tunnels for production and a pole building for storage and packing.
Transportation	We currently have a 4 trailers that is used for farm work, deliveries and farmers markets. We hope to purchase a delivery van in the next 2 years.
Expertise	Mary has expertise in business management skills and organization.