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**A BUSINESS PLAN ON CASSAVA CULTIVATION FOR KINBAD INVESTMENT PLC.**

**INTRODUCTION:** Cassava is a perennial woody shrub with an edible root, which grows in tropical and subtropical areas of the world. Cassava originated from tropical America and was first introduced into Africa in the Congo basin by the Portuguese around 1558. Today, it is a dietary staple in much of tropical Africa. It is rich in carbohydrates, calcium, vitamins B and C, and essential minerals. However, nutrient composition differs according to variety and age of the harvested crop, and soil conditions, climate, and other environmental factors during cultivation.

**AIMS AND OBJECTIVE:**

This business feasibility study tries to show the likelihood of your proposed action being a success or a failure through a careful look at the costs and opportunities involved. This study helps to determine if a proposed strategic action makes sense operationally and will produce the best desired results.

-To add value to the cassavas produced by milling the roots into flour for consumption by the farmers' families and other consumers.

-To enable the community to start businesses involving baking of doughnuts and bread, making porridge from cassava flour.

-To boost livestock production by availing cheaper, more nutritious livestock feeds in the form of milled cassava roots.

**OUR VISION STATEMENT :** Our vision is to be the best in what we do for our customers and ensure that they get the maximum satisfaction that they desire.

**EXECUTIVE SUMMARY :** Feasibility study on the establishment of a cassava cultivation and processing is based on the survey made by Britech plus enterprises and the business wholly owned by her Mr Ogbus. The farm will be named KINNBAD INVESTMENT PLC and will concentrate on growth of cassava and garri processing.

Kinnbad will supply garri and its other product forms to different quick service in South west Nigeria and our vision is to be one of the known garri product suppliers in Nigeria with a mission to have garri and its byproducts at a very profitable venture. From the research that was carried out, it was discovered that the demand for cassava nuts and its byproducts is not fully satisfied in Nigeria, though they are already existing agricultural farms operating around borders of Abeokuta and Ogun state environment, the cassava plant will be sited at Obafemi Owode Local Government, Abeokuta in Ogun state. There are high demand in some part of Nigeria majorly Enugu, Lagos, Osun, Oyo and Ogun. These legal requirements for the establishment of this venture such as local government revenue(tax) per month and security payment(vigilante) per month have been inquired and will be carefully complied with.

The venture will help in providence employment to the locals meeting the demand of garri and making the price affordable in future , KINNBAD INVESTMENT PLC intends to develop into other cassava byproducts .

### **KEY SUCCESS FACTOR**

The key success factors are:

- 1) The use of quality breeds of cassava free from pest and diseases.
- 2) The enrichment with vitamin A.
- 3) The packaging of the product in sachet.
- 4) The high demand of garri as an important conclusion in the diet of the people of the Southern Nigeria.
- 5) In this era of growing middle class in the country, garri comes in handy to very busy housewives who combine their roles as mothers and workers who scarcely have enough time to engage in daily pounding of cassava fufu as was done when women have enough time.

### **STRATEGY AND IMPLEMENTATION SUMMARY OBJECTIVE**

- To increase number of our clients by 50% within 5 years of existence.
- To evaluate our strategic marketing by every three months.

### **MARKET ANALYSIS**

Market Trends: Garri is one of Nigeria's staple/essential diets and is taken in every home. If you intend starting your own garri processing business, then you will need a land where you will not only install your facility, but it must also be near as possible to your source of raw materials.

A second trend in the business is having several storage facilities in strategic locations all around Edo state and Nigeria in general, this is so as to be close to customers, increase awareness about the brand and also increase patronage for the business, thereby boosting revenue.

Target Market: The target market for Garri is very huge as almost every home and everyone takes this product. However, more people are likely to take one color of garri than the other depending on their location. We intend to carry out a thorough market survey that will allow us determine the quantity that would be needed to be processed for each color of garri. Even though almost everyone takes garri in one form or the other, we are still required to market our products so as to become a preferable brand to our customers, either existing or potential.

Our target market includes;

- ❖ Households.
- ❖ Schools (most especially boarding schools).
- ❖ Restaurants.
- ❖ Hotels.
- ❖ Students (like secondary school students and university students).
- ❖ Single Popular Markets.
- ❖ Stores and Supermarkets.

### **Current Market Price**

Market Price Report For Cassava Stem: Cassava stick can generate more income for farmers, for instance a bundle of cassava sticks containing 40 viable sticks, each cut into 5 pieces would give 2,000 sticks of cassava which can be used to plant 200 heaps. On one acre of farm land we have 20,000 heaps and a bundle of cassava sticks containing 40 sticks is sold for between 300 naira and 350 naira depending on location. Since one acre of land will take 20,000 heaps and 200 cassava sticks makes on bundle of cassava sticks, it then means 20,000 heaps will consume 10,000 bundles of cassava sticks during planting season, it also means that 10,000 naira worth of cassava sticks would be used to plant 20,000 heaps on one acre of farmland during planting season. Therefore, 10,000 of bundles of cassava sticks multiplied by 300 naira (which is the lowest price of a bundle of cassava sticks) gives a profit of 30,000 naira. With the above analysis you can see farmers can make more money from the cassava sticks in addition to the income from the sales of processed garri.

### **Cassava Processing Business Plan – Market Analysis**

Sales And Marketing Strategy: At Kinnbad Quality Garri Ventures, we intend to ensure that we adopt several marketing strategies towards ensuring that our existing customers are aware

of our drive towards success. Also, our sales strategies will be done in such a way as to ensure we penetrate the market, therefore creating a wide reach.

Marketing Plan: There are no major garri processing company that package their garri in Abeokuta Ogun state, hence reduced or no commendable competitor. Therefore, if Kinnbad Company commences operation as planned, it will be a market leader in no distant time.

Promotion Strategy: There will be awareness creation both on the radio and newspapers to attract people's attention to my product.

Marketing Strategies:

- Discount will be given to first 20 customers.
- Organizing of promos.
- Giving of gifts to customers at the end of the year.

Market Positioning: Kinnbad garri producing company will position itself as the leading market in garri marketing in Ogun and it's environ particularly Abeokuta. The venture will create peculiar leading edge profile for itself. Below is how the firm will be seen as;

1. A provider of the best quality garri.
2. As a firm that is customer oriented providing clean and cost effective quality garri at an awesome delivery system.
3. As a trustworthy provider of consistently reliable sachet garri at an affordable price.

### **OUR COMPETITIVE ADVANTAGE**

Our intention of starting cassava cultivation is to ensure that we build a business that will be amongst the top one well known processed garri brand globally and will be amongst the first top five brands here in the Federal Republic of Nigeria. To achieve this huge vision, we have come up with competitive strategies that will allow us compete favorably against our competitors.

We intend to process garri, which we know is more difficult to procure which our clients will prefer. We have therefore set plans in place to ensure that we are able to grow our own cassava so as to fully achieve our vision. Our facility is not only one that is well equipped and fitted with standard equipment but also conducive and accessible to our employees.

All those who work for us come with vast experience and our management staff are those who are not only highly experienced but understand how to build a business from scratch to becoming a national phenomenon. We have a solid distribution network and an excellent customer service culture that will be great advantage to our business.

Finally, we have great welfare and incentive packages that will ensure that our employees are well paid, and that those who work hard enough get incentives that is intended to boost their attitude.

## **CASSAVA PROCESSING BUSINESS PLAN-SALES AND MARKETING STRATEGY**

Sources Of Income: Kinnbad Investment Plc is established with the aim of generating revenue and maximizing profit in the agro processing cum food industry here in Nigeria. To maximize this profit, we are going to do all that we can to ensure that a large percentage of our target market gets our products. Kinnbad Investment Plc will therefore generate income by selling the following products and services;

- Sale of processed packaged garri.
- Franchise.
- Consultancy and Advisory Services.
- Training.
- Processing of Cassava by-products in nearest future.

Sales Forecast: The use of processed garri have spread from commercial purpose to personal purpose, which means there will always be a demand for processed garri daily.

Since cassava grow majorly in tropical regions, our location here in Abeokuta means that we are well positioned to meet the demands of our target market all over Nigeria in not only generating enough income but also making enough profit in the first year and breaking even in our second to sixth year.

Our optimism stems from the fact that we carried out critical examination of the agro processing industry cum the food industry in order to analyse our chances and know how we were likely to fare not only in this industry but from the environment where we were operating from. Data and information that was used to forecast our sales projection were taken from similar start-ups such as ours here in Abeokuta and all over Nigeria.

Below therefore are the sales projections for Kinnbad Investment Plc and based on several assumptions and data gotten from the market;

**1. First Fiscal Year: N3,000,000 – N5,000,000**

Note; the above sales projections were carried out based on what we obtained from the industry of the stated period. The assumptions used were that there won't be an economic meltdown and that we won't have to battle with the arrival of a major competitor offering same services during the stated period. Should there be any change whatsoever in the above assumptions used, it would affect our sales projections and might cause an increase or decrease in the figures.

2. Marketing And Sales Strategy: Marketing is a very important part of any start-up business as this section not only has to understand what the target market wants but also know the right strategies that will be needed to be applied on this target market in order to bring forth results- revenue. The revenue gotten from marketing a business is what is being used to continue to run the business after the capital must have been exhausted. Marketing therefore is very paramount to the growth of a business. Below is the marketing and sales strategies we intend to adopt at Kinnbad Investment Plc in selling and marketing our business are;
  1. Ensure that we introduce our garri processing business formally to high level and corporate clients as well as other stakeholders in the industry.
  2. Throw a unique party before declaring the business open, to generate interest amongst our target market.
  3. Place advertisements in local newspapers and food and lifestyle magazines as well as on local radio and television stations.
  4. Use our social media platforms such as Facebook, Twitter and Instagram to market and sell our processed garri.
  5. Ensure that we are listed in yellow pages as well as on online directories.
  6. Engage in direct marketing to all our clients.

## **GARRI PROCESSING BUSINESS PLAN- PUBLICITY AND ADVERTISING STRATEGY.**

Ensuring that a brand has constant and positive awareness is very important and all brands know the essence of this, whether new or already established. Publicizing a brand is also a means of advertising the brand to ensure that not only the target market are aware of the brand but that more people patronize the brand by either buying its products or paying for its services. Publicity also ensures that the image of the brand is positively communicated as well as its corporate values. The platforms that we intend to use in promoting and advertising Kinnbad Investment Plc;

1. Create an interactive website and do all we can to publicize our processed cassava and other by-products.
2. Place advertisements on local newspapers and lifestyle magazines as well as on radio and television stations.
3. Place flexible banners in strategic locations in and around the environs of Abeokuta.
4. Distribute our handbills and fliers in target areas.
5. Use social media platforms such as Facebook, Twitter and Instagram to vigorously promote our brand.
6. Participate in local community programs by sponsoring programs that would promote our cassava processing business.

## **OUR PRICING STRATEGY**

Setting the right price for our cassava and garri is very important especially as we intend to make profit from our business.

In order therefore for us to attract the number of customers that will allow our business to grow as it should, we will be offering a discount on our processed cassava for the period of three months. We have carried out a careful study of this period and have determined that even though we will be running at low gross margin for this period , we will not be incurring any loss whatsoever for our business.

- Payment Options: Due to the all-inclusive payment plans we intend to adopt at Kinnbad Investment Plc that will accommodate all our different customers and their diverse preferences, we have carefully studied several payment options and come up with the best. Some of the payment options that we therefore will make available in every of our outlets include;

-Payment via cash.

-Payment via Point of Sale (POS) machine.

-Payment via credit card.

-Payment via online payment portal.

-Payment via bank draft.

In view of this, it should be noted that we carried out careful deliberations on each payment option before adopting it. The above payment options will be advantageous to both our company and our clients as well.

### **MANAGEMENT TEAM**

1. Farm manager.
2. Cashier/Accountant.
3. Storekeeper/Warehouse officer.
4. Farm attendant.
5. Cleaner.
6. Security officer.
7. Chief Executive Officer.
8. Human Resources and Admin Manager.
9. Purchasing officer.
10. Food Technologist.
11. Marketing and Sales Team.
12. Customer Service Executives.
13. Delivery drivers.

Our values and norms of the company; --

-Workers are to resume work by 8:00 am Mondays to Saturdays.

-Lateness to work is highly prohibited.

-Cleanliness is our priority.

## **TECHNICAL SPECIFICATIONS/PRODUCTION PLAN**

Operational Plan: Garri, a product gotten from the processing of cassava tubers is a very important staple food item in Nigeria. It is one of the food items that defy socio-economic class, religious and ethnic boundaries, It is doubtful if it is not eaten daily in one of every two homes in the country. However in recent times due to the numerous products {Cassava Chip, Cassava pellets, Starch,} that can gotten from Cassava tubers ,the production of garri in Nigeria has witnessed a reduction in volume thereby prompting a shift in the demand-supply equilibrium in favor of garri producers. The supply gap has been identified to continue to expand as the population of the country which is estimated to be 150 Million continues to grow at 3.5% per annum. Also the rural – urban drift in the country would help to deepen the market for garri which is estimated at over N 28 billion annually in Nigeria.

Garri is a creamy-white, granular flour with a slightly fermented flavors and a slightly sour taste made from fermented, gelatinized fresh cassava tubers. Garri is widely known in Nigeria and other West African countries. Garri constitutes a daily meal to some 150 million people worldwide. It is a popular West African food. It is most widely eaten as Eba.

Production Process: The basic processes involved in the production of Garri from cassava are:

1. Sorting: After harvest, some roots may be damaged or rotten. These are sorted to select the wholesome roots for processing; only healthy roots (without rot or other damage) should be processed.
2. Peeling and washing: Freshly harvested cassava roots are covered with soil and dirt and the roots are peeled to remove the outer brown skin and inner thick cream layer and washed to remove stains and dirt contaminated.
3. Grating: As part of the process to remove the cyanide and make the root safe to eat, the peeled cassava are grated into a mash or pulp. Mechanized graters are needed to produce a sufficient quantity of cassava mash to meet market demands and standards.
4. De- watering and fermenting: This completes the process of removing cyanide from the cassava mash. The water content in the mash is reduced using hydraulic press. The bags are then left to drain and ferment for a few days.
5. Granulating: The cake is mechanically reduced in size to produce fine granules of greater surface area – known as grits.



6. Roasting: The grits are then roasted or fried in a hot frying tray or pan to form the final dry and crispy product. Garri is normally white or cream, but will be yellow when made from yellow cassava roots or when fried with palm oil. It is important to make sure the taste and smell is acceptable to local consumers. Yellow cassava roots and palm oil are rich in vitamin A and therefore make nutritious gari. The roasted gari are spread on a raised platform in the open air to cool and dry.

7. Sieving: The Gari is sieved to separate coarse particles, with a standard size sieve to produce fine granules. A grinder is used to break the large granules into smaller ones.

8. Packaging: The garri are weighed and then packed for marketing. Pack desired quantities in polythene bags and/or sacks, seal or stitch as appropriate. Properly label the packages according to the standards of national regulatory agencies. Garri should be packaged in clean, insect- and moisture-proof materials that guarantee the wholesomeness of the product and the retention of its nutritional, physical and sensory qualities. The packaging should not impart any toxic substance or undesirable odor/flavor to the product. This product could be packaged in polypropylene sacs lined with thin polythene material for bulk sales, or in smaller bags (paper, polythene/polypropylene) as unit packages for retail market. The unit packages could be arranged into secondary packages of cardboard boxes.

9. Storing: Store in a cool, dry, well ventilated, insect and rodent free store/enclosure.

### **GENERATING FUNDING/STARTUP CAPITAL FOR CASSAVA NUTS BUSINESS**

KINNBAD Investment PLC is a business owned and run by Mr Ogbus and his immediate family members. The capital sourcing are just three major sources.

Therefore the areas where we intend generating our start-up capital from are;

1. Getting part of the capital from personal savings
2. Sourcing for soft loans from family members
3. Applying for loan from the bank.

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### **SWOT Analysis**

A SWOT analysis carried out on the project reveals the following Strengths;

- 1) The location of the business makes it easier to reach the target market
- 2) The ability to enrich the crayfish nutritionally with Vitamin A
- 3) Packaging in processes makes it different and safe from contaminants convenient for use
- 4) Enough land already available to site the business (family land; a plot)

Weaknesses;

- 1) Initial problem of raising adequate capital for the project anticipated
- 2) The proprietor has limited experience and expertise in the business
- 3) Transportation challenge.

### **CONCLUSION**

Garri processed from cassava tuber cultivation and pig farming are technically feasible, financially viable and bankable activity in the areas identified suitable for it based on agro-climatic conditions.