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INTRODUCTION:

The proposed palm oil mill will be called SWAG Oil Mill. The oil mill will focus on the production of palm oil, palm kernel oil and palm kernel proceeds needed for the making of soaps, pomade and even snacks. The products for this oil mill serve as raw material for cosmetic industries, food and snacks making industries. In the oil mill, palm fruits will be processed into different products such as palm oil, palm kernel and by products for fire making. In the industry, there would be machines for crushing and pounding of palm fruits, extraction of palm oil, kernel oil and other by products.

The establishment of this mill industry will cost about Ten Million, Five Hundred Thousand Naira (₦10,500,000) *[Please note that this is an estimation for the government only, the business starting capital can be smaller and affordable for personal/single business men]*. Since the project is a community based project that will bring about development in Nigeria, there would not be any financial spending for land acquisition; the community is willing to give out one of the community's land for the project. The only amount of money needed for the land acquisition about ₦300,000 for compensating the owners of the land before the community takes over the ownership of the land.

EXECUTIVE SUMMARY :In establishing this mill, three main objectives are targeted:

- Creating employment opportunities
- Providing avenue for growth and development
- Raising the standard of living of the people.

Among the various villages that make up different Local Government Area, the oil mill will be producing some products as palm oil, palm kernel oil, palm kernel powder and other stuffs used as raw materials for subsidy industries in Imo State

within the south eastern region. Industries that will benefit from this oil mill include; the soap industry, cosmetic industries, beverages industries, food industries etc. the oil mill will generate most of the local government revenue as the products will make the village very big market for raw materials for the above named industries. Also, it is possible that the industry will contribute up to 60% of the local government financial generation. It is estimated that the revenue generated by the mill will be up to ₦3 million a month.

Considering the financial need of the proposed oil mill, the local government stands to benefit more as it will not spend up to ₦1,000,000 in a month for the mills maintenance and payment of worker's salary.

Also, given that, there is much soap, cosmetics, food and beverage industries in neighbouring cities and state, the mill will experience increase in sales of its products. Before now, these industries that depend on palm products for production go as far as neighbouring countries for the raw materials but with the establishment of an oil mill in different Local Government Area in Imo State, most of them will divert to SWAG Oil Mill for their raw materials.

BUSINESS DESCRIPTION:

As stated in the introductory page, the name of the enterprise is SWAG Oil Mill. It is a partnership business owned by a group of 5 individuals in collaboration with the Different Local Government. Nigeria community will be the major source of raw materials for the mill. The major materials are the palm trees plantation in the area. Though the community have abundant palm plantation which is part of its natural endowment, the local government will establish improved breeds or species of palm that can produce palm fruits very fast. This is to ensure constant production of the palm products.

Also, the proposed oil mill industry in Nigeria would be established in a new factory building in the community. The community has large land mass and it will be easy for us to have enough space for the location of the industry.

BUSINESS ENVIRONMENT:

The land proposed for the establishment of SWAG Oil Mill is located at Nigeria community in Different Local Government. The community is known for its palm plantation which is in abundance and the fertility of its soil. The land is vast, measuring about 2 hectares. In the land, we would erect a building which will serve as a hall for the materials. There will be less transport cost since the mill is near the source of raw materials. Warehouses will be built for the storage of the already processed palm.

MARKETING ANALYSIS:

The palm oil mill has a very good prospect for surviving in the raw material market for industries. Firstly, most of the small scale industries in Different will patronize the mill industry, hotels, palm kernel oil and palm oil sellers in the area can buy directly from SWAG Oil Mill in bulk. Secondly, the various soap, cosmetics and food industries within Imo State can come to SWAG Oil Mill for their raw materials. Industries in Aba, Enugu, and Port Harcourt can easily locate the mill and buy the products. This will thereby reduce the transport cost. SWAG Mill will increase the production and sales of palm produce in its environs. This will result to increase in profit and profitability since there are not too many competitors in the south east region market. The cost of production will be low because most of the staff will be recruited from the community and the source of raw materials for the mill is gotten from the natural endowment within the environs.

MARKETING PLAN:

SWAG Oil Mills have a team of good marketers and sales forces who will create public awareness of the mill's products. There would be an integrated marketing communication between the mill and its target market. The mill's product would be communicated to the public through advertisement, public relations, sale promotion and publicity.

There will be proficient marketing professionals recruited for this purpose. Again, the industry will make use of customer based pricing one of its pricing strategy. It will also emphasize on quantity discount as a pricing strategy also. The industry will make

use of sales representatives and agents instead of middlemen to avoid hoarding of the products, excessive price hike and low customer's satisfaction.

OPERATING PLAN:

The production process for palm oil making is very vital and the procedures of making palm oil are of 2 patterns: the old or ancient pattern and the new or modernized pattern. Both patterns will be used. The following stages in palm oil making using the old pattern include the following:

- a. The first stage: the palm will be cut from the tree in a bunk.
- b. The second stage: cut it from the bunk and after few days it will be selected.
- c. The third stage: cook the selected with a very big pot.
- d. The fourth stage: pound in a big mortar.
- e. The fifth stage: sieve out the oil and turn into a container.
- f. The sixth stage: package the container and the oil is ready for sale.

After this process, the kernels and the chaff will be separated from others for domestic uses and consumption. The marketing departments would be concerned for sourcing customers for the products. The industry will also have its own palm plantation from where it gets its raw material and the palm plantation will be made up improved breeds to ensure constant supply of raw materials. There would also be warehouse for storing the products.

MANAGEMENT AND ORGANIZATION:

The management team works hard to increase the sales, market shares and profit by understanding the customers and the competition. The team is collectively building cohesive marketing strategies for the products and creating maximum impact.

The business is partnership between five people and these people collectively run the business.

1. Mr. A: A gentleman with class and a business mogul. He is a well trained manager. With his vast experience in management and entrepreneur, he assumes the

post of the General Manager. His knowledge will lead to efficient and effective management of the industry.

2. Mrs B: An elegant lady and a B. Sc holder in Management and M. Sc in Marketing from the University of Ghana, Legon. She takes the role of assistant general manager. Her skills when applied will take the industry to greater height.

3. Mr. C: The business guru, versatile in all aspect of business takes the post of the Production Manager. His skills are needed for the development of the industry.

4. Mr. D: With his educational background and qualification on Accounting and Finance, his skills will be needed in recording the business operations and analyzing our financial prospect. He will be the Financial Manager.

5. Miss E: A business oriented lady, she get all the skills needed in the taking the business to the next level. Therefore, she will be the Marketing Manager.

With this team, we believe our collective efforts will take the industry to greater heights, enabling we to have market power in the industry.

Technical feasibility

Advanced methods of production require new equipment which can be expensive. You need a purifier, conveyor, digester, fan extractor, screen, among others. High costs can discourage intending processors from investing and setting up new plants. You can choose to hire processing equipment. But you must expect some delays during the processing period. There needs to be adequate infrastructure like roads for moving final products and machines. A piece of land is also required for setting up the plant. Adequate space is required away from residential areas. There should be a constant supply of palm fruits, or you can choose to cultivate your own farm.

The Market Competition

This should form an important consideration of any palm oil business. Knowing your competition will enable the business put in the best strategy to effectively compete.

This Therefore is a necessary ingredient that determines the profitability of the business. Nigeria is a country where this product (palm oil) is used in every community. Knowing the marketing strategies to use in reaching out to consumers

from all parts of the country is therefore very necessary. Other competitors exist, knowing the areas of their weakness, will be of immense benefit to the business

Government Support and Regulation

The project conform with the economic diversification objective of the government. It also supports foreign exchange and import reduction conservation of government. It creates economic opportunities, market access, improved income for farmers and support food security objective of government. The project will benefit from government intervention fund in the agriculture sector. The project will also benefit from the favourable policy of zero duty for agricultural and equipment import. Restriction of forex for all food products will also widen market opportunity. The project will contribute significantly to employment, output increase, stable price and stable exchange rate.

FINANCIAL PLAN:

The financing and funding of the project will come from the collective contribution of the partners and also from the local government. Subsequently, the revenue generated from the industry will be re-invested into the business and some of the income will be shared among the partners. Hence, the financial requirement of the proposed industry is analyzed below:

PROJECT ESTIMATE:

1.	Compensation given to owners of land	₦300,000
2.	Erecting of industrial buildings	₦3,000,000 8.3m
3.	Acquisition of machines and equipment	₦5,000,000
4.	Payment of workers for the 1st 3 months	₦1,500,000
5.	Palm plantation and cultivation	₦500,000 2.2m
6.	Miscellaneous	₦200,000

	Grand Total	₦10,500,000
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Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
(16,750)	12,500	14,500	16,800	17,500	18,200

$$\text{NPV} = 12,500 (1+60\%) + 14,600 (1+60\%) + 16,800 (1+60\%) + 17,500 (1+60\%) + 18,200 (1+60\%) - 16750 (1+60\%)$$

$$\frac{12,500}{1.6} + \frac{14,600}{1.62} + \frac{16,800}{1.6} + \frac{17,500}{1.64} + \frac{18,200}{1.65} - \frac{16,750}{1.60}$$

$$7812.5 + 5703.125 + 4101.56 + 2670.1 + 1734.9 - 16750$$

$$\text{NPV} = \text{N}5,272,185.$$

The assuming rate of interest rate of returns is 82%.

CONCLUSION: It is clear from the foregoing that the proposed oil mill in different Local Government Area of Imo State is an attempt to promote human development project in the area, create employment opportunities for the youths and create means of generating more revenue for the local government. Hence, it is clear that the proposal presents a new dimension of development. From the survey and projections carried out, we can see that the project is a viable one and is worthwhile, hence it should be undertaken.