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COURSE: ENTPRENEURSHIP

A BUSINESS PLAN FOR THE DEVELOPMENT OF A TWO HUNDRED HECTARES OF CASSAVA AND ESTABLISHMENT OF 20 BAGS OF GARRI PER DAY AT THE CHIEF EBOIGBE FARM, ABEOKUTA, OGUN STATE, NIGERIA BY EBOIGBE AND SONS VENTURES AGREEMENT

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

Signature:

Name:

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Project Description

This business plan examines the feasibility of and indeed economic viability of the development of a 200 hectares containing cassava and the establishment of garri in Ogun state by EBOIGBE farmers association. The farm will produce about 1000 bags of garri in a production cycle. The cassava extraction plant will process about 4,000 bags of garri, several amounts of Tapioca's, fufu, fermented flour and industrial raw material (starch, chips, pellets, unfermented flour etc.). There is high domestic demand for these products because of our huge population and production constraints leading to shortage of the commodity. Production is currently popular in the East in Enugu and South South with Delta and Edo State as the lead producer

The proposed project will create economic opportunities, impact positively on the people and help conserve scarce foreign exchange. The entire cassava to be processed will be sourced locally through direct production, contract farming in Ogun State and direct purchase from smallholder farmers in other production areas. The project will create market access, improve income of farmers and contribute significantly to food security. It will also generate satisfactory returns for sponsors and investors.

Sponsorship

The project is sponsored By Obiekwe Obinna, a CEO of Nasco limited. Obiekwe Obinna is promoting the productivity of smallholder farmers in Ogun State through the Eboigbe Farmer's Cooperative Limited. The company has a Department of Agriculture and experts with many years of experience in the project being proposed. EBOIGBE and sons ventures will be responsible for the management consultancy of the projects.

Management

The management will comprise of a democratically elected Board of Directors at the apex of the organization structure. This will be made up of shareholders and member of the cooperative who have stake in the survival, growth and profitability of the business as well as distinguished agribusiness professionals of proven integrity and vast experience in the project area. 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 university has working relationship with NITA (National Institute of Tropical Agriculture, Delta). NITA has mandate in cassava production and processing and will provide technical assistance in this regard.

The company has a working relationship with Ogun State Government, Ogun State Ministry of Agriculture, Agric Cooperatives 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

Enugu State alone produced 55% 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.

Tariff and Import Restriction

Forex restriction on food importation and zero duty on imported agricultural equipment will favour the project under consideration.

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 Ogun 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 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 benefit from government intervention fund in the agriculture sector. The project will contribute significantly to employment, output increase, stable price and stable exchange rate.

Project Timeline

The project will be completed within 9 months preferably between February 2019 to November, 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	1Hectare	180,000	00
Ridges	1Hectare	11,000	00

Total	200	191,000	00
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(B) Equipment

Name	QTY	MODEL	YEN	₱	K
Tractor	1	QTO-904(90hp)	24,450	8,802,000	00
Harvester	1	IBJ- 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	100,000	: 00
For 200 hectares	100,000,000	: 00
Net revenue for 200Hectares(without amortization)	30,038,300	: 00

Funding Mechanism

EBOIGBE and sons ventures 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 commercially viable. It is therefore recommended for funding.