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Business plan for three hundred hectares of cocoa production at SALIM FARM, PORT HARCOURT by SLOMO VENTURES

Project description

This business plan reveals the establishment of 300 hectares of cocoa production and its processed state in Port Harcourt by Slomo ventures. This plan will equally state the finished goods the cocoa will be used to produced like chocolate, animal feed, soft drinks and alcohol, cocoa powder, coco butter. There is a high demand for these products and the population is rapidly consuming it and this leads to shortage of the commodity.

This production is popularly in the western part of Nigeria, most Yoruba states engage in the

production of which includes; Lagos, Ibadan, Ondo and Ekiti state with town including Egba and Ilesha. the plantation is also seen in Bonny Island and Calabar. Cocoa flourishes in the areas that are not more than 20 degrees north or south of the equator. The trees respond well in regions with high temperature and distributed rainfall. This production site will be economically and financially useful for the people of Abuja as it will not only provide job opportunities but also make interested sponsors and investors to partake of the production that will create more economic value for the people of Abuja. It will also create an outlet for its produce to be sold at an affordable rate.

sponsorship

This project is entirely sponsored by Mr. Levi Nnadi a business administrator and founder of

Salim Farms. Mr. Levi is scaling the production of farming by Inputting his outmost effort for the provision of cooperative society in Port Harcourt. Salim farms is said to be established in most part of the country including Lagos, Ekiti, Jos, Kwara and Abuja, having its headquarters in Port Harcourt . It has experts in every field of agriculture. Good food 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 prime objective of the board will be to give strategic information and directions that will yield long time result in the organization. The board will ensure that the organization are compiled with all standards set by regulatory authorities.

The president will be in charge of the coordination of the day to day management of the 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 Assitance

Salim farms has a working relationship with Cocoa Finished Production of Nigeria (CFPN).

CFPN is a National Institute with research mandate on

Cocoa,Coffee, Kola and Tea. the Institute has six (6) substations located in the six geopolitical

zones of Nigeria where these crops are cultivated in abundance. Over the years, the Institute has recorded major breakthroughs in research work that enhanced the production and utilization of products and by-products of the mandate crops.

The farm will find the necessary financial requirement for this project and equipment for which they will assist some commercial banks who are also in working relationship with them who will lend them loans for the project.

The farm has a working relationship with Rivers state government as it is recognized to be one of their biggest business setups, the farm tends to bring many investors to Port Harcourt and develop the state more. The farm will get technical supports from these areas in terms of money or equipment.

The farm also has working relationship with cooperatives bodies and other farms that will serve as an outlet for the sale of the cocoa and its produce. This will benefit the bottling companies nationwide.

Market and sales

Since this project is based in South South, it will focus on the South West, South East and Northern part of Nigeria. Each market will get 4% of each sales in the outlets provided in the 3 geopolitical zones (south west, south east and northern part of Nigeria. The consumers of these produce are both human beings and livestock; as the humans consume the beverages and chocolates while the husk are for livestock consumption and industrial use.

Competition analysis

The earliest cocoa farms in Nigeria were in Bonny and Calabar which did not yield profits as it was said that its ground wasn't suitable for the production of cocoa. Rapidly the plantation traveled to the South West region and it bloomed successfully. States like Lagos was producing more cocoa and its income was alarming, it also expanded to places like Ibadan, Egba and Ilesha which continued to yield more results. In general it expanded and flourished in Yoruba hinterlands and that makes them the main producers of cocoa, giving Port Harcourt a result to beat. This project has never been tried in the southern areas before making the Yoruba hinterlands the major producers of cocoa.

Tariff and import Restrictions

Since this project is an inside project which would not involve importation of any kind,

restrictions by the government on the project will be null and void as every equipment used are locally made.

Market Potential

There is a strong demand for cocoa and its produce in the Southern part of Nigeria. The zone will not only pave way for more job opportunities and income but with the infrastructures not yet at its good state supports trade within the country.

Profitability

Cocoa should be cultivated in the areas where it thrives best, i.e. areas with hot, moist climates, with average rainfall of between 1150mm and 2500mm, and a temperature range of 18°C to 32°C. Cocoa should be grown on land where there are no land tenure problems. Cocoa farms/ plantations should not be established on or adjacent to

areas identified/recognized as high conservation value habitats. If rare, threatened or endangered species, or high conservation value habitats, are present on cocoa farms/plantations or nearby, appropriate measures for management planning and operations should be implemented. Depending on varietal requirements, adequate temporary and permanent shade trees should be provided in cocoa farms.

Technical feasibility

The projects are technically feasible. In terms of technology, which involve the cleaning and roasting of the pods and grinding on the pods to produce its fine texture for the production of beverages and other things.

Specialist are highly involved in this plantation, to take really good care of the trees and

ensure it flourishes.

The major competitors in the South West are HUSKIES which deal with the produce of cocoa, they make both beverages and cosmetics with cocoa. They tend to be main distributors in the South Western region, they tend to be spread all over the country. But with the help of the marketing team, the products will be made popular in the country giving way for a healthy competition.

Project Timeline

The project is estimated to be complete within 5 months as the dry season commences. The whole project will flourish by then because cocoa is known to do well during the dry season.

Estimated Cost

Before the process begins, the land is first cleared and treated for the first month that way it will

the crops room to blossom well.
The amount for this project will be explained individually.

Land clearing

ACTIVITY	QTY	AMOUNT IN NAIRA	AMOUNT IN KOBO
Land clearing	4 hectare	300,000	00
Lining and Pegging	4 hectare	150,000	00
Spacing	4 hectare	100,000	00
Shade establishment	4 hectare	100,000	00
TOTAL	1,600 HECTARES	650,000	00

Equipment

Name	Qty	Amou	Amou
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		nt in Naira	nt in Kobo
Pruning saws	5	50,00 0	00
Cocoa harves ting knives	5	50,00 0	00
Wheel barro ws	5	49,76 0	00
Steel lopper	1	15,00 0	00
Pressu re Spray ers	5	100,0 00	00
Shade clothe s	4	75,95 0	00
Plantin g bags	10	150,0 00	00
TOTA L		590,7 10	

Vehicle

Type	Model	QTY	Amount in Naira
Pick up truck	CAT	4	400,000

Funding Mechanism

Salim farm will provide 1,600 hectares of land in Port Harcourt and lease it to the cooperative board of slomo ventures. The venture will also lease 4,000MT capacity silo as equity contribution.

Equity investor to provide equity for equipment and vehicles purchase, where possible equity investor to provide equity for working capital or otherwise secure loan at the rate of 20% through the intervention of the government, commercial banks and trading agencies.

Conclusion

The project is economically

beneficial and commercially wise.
It is highly recommended for
funding.