

NAME: ABDULWAHAB MONSURA TEMITOPE

MATRIC NO: 18/SMS01/001

DEPARTMENT: ECONOMICS

COURSE CODE: AFE 202

COLLEGE: SOCIAL AND MANAGEMENT SCIENCE

QUESTION

Prepare a business plan on a chosen agricultural enterprises following the guidelines in the notes. Spiral band and submit upon resumption. Minimum of five pages, times new roman size 12 with double spacing. Send a soft copy to me to view.

FRUITY

CONTENTS OF FEASIBILITY REPORT

1. Industry overview
2. Executive summary
3. management
4. veggie fruity market analysis
5. SWOT analysis
6. Our products and service offering
7. Sales and marketing strategy
8. Funding mechanism
9. conclusion

INDUSTRY OVERVIEW

Fruit juice production business is a subsidiary of the global fruit and vegetable processing industry and players in this industry are engaged in the processing and packaging of fresh fruits and vegetables into canned, bottled, preserved, frozen, dried (except sun dried) or otherwise processed or preserved food product for human consumptions. Players in this industry also blend salt, sugar, preservatives and other ingredients with fruits and vegetables to make consumer food products. A fruit juice is a blended, sometimes sweetened beverage primarily made from fresh fruit or vegetables combined with ice, frozen fruit or other frozen ingredient. Vegetable processing industry as experienced consistent demand over the years. As economies of every size continue to consume processed fruits and vegetable products. Demand has grown particularly fast in developing economies, as industrial growth has translated into greater urbanization, higher per capita incomes and expansion in the size of the middle class has grown, it has demanded larger quantities of higher qualities and more diverse food. These continent dominate the global fruit and vegetable processing industry due

to the fact that industry operations have been established in these areas for a very long time, enabling time for the development of major companies and advanced fruit and vegetable processing technology. Over and above, fruit juice production business is indeed a profitable line of business and it is opened for any aspiring entrepreneur to come in and establish his or her business.

EXECUTIVE SUMMARY/ BRIEF DISCUSSION OF THE PROJECT

This farm hereby established on 26th of November, 2019 exists to serve the purpose of providing fruits, vegetables, fruit juice, vegetables and fruit juice combined. It serves the purpose of creating healthy fruit juice, fresh vegetables and nice mixture of vegetables and fruit juice to suit consumer's preference. Also different ways to serve different consumers with different wants, health issues etc. we are located here at Oluyole estate, Ibadan, Oyo state. As we grow we are sure to open more branches in other states and countries. The business plan examines the feasibility of and indeed economic viability of the development of 600hectares of fruits and vegetables plantation and establishment of vegetables and fruits juice industry. The farm will produce about 3000tonnes of vegetables and 4000tonnes of fruits in a production cycle. The fruit industry will process about 1500tonnes and 3000tonnes into juice. The rest will be sold out. Production is currently popular in states like Benue, Nassarawa, Kogi, Ogun etc. Nigeria imports significant quantity of fruit juice. At least with company introduced, the citizens will be able to reduce importation of fruit juice.

The proposed project will create employment opportunities, help conserve foreign exchange, help increase healthy skins and reduce intake of carbonated drinks that's really not good for the health. It also would create market access and will generate

satisfactory returns for investors and stakeholders. The industrial potential of many fruits and vegetables available in Nigeria is enormous. What Nigerians need to do is embark on massive production of these fruits and vegetables not only for high nutritive value but for enhancing the establishment of many processing industries. That's why we have put together both producing and processing the fruits together, not only that there will also be more spending and more profit

MANAGEMENT

The management will comprise of the owner and shareholders of the company. The owner of veggie fruity is Mrs Abdulwahab Monsura Temitope. She is to elect the board of directors. The board of directors see to set the goals to be met, make strategic decisions and see to it that the company continues to reach success. Also, DR. Abdulsalam Ibrahim, a renowned nutritionist will be part of the management team. Also the managing director will be in charge of the day to day activities. He is accountable to the boards of directors. He will set all things needed in order to achieve goals set. Also there has to be the stakeholder who are willing to work diligently to see that the company continues to grow. Below is the business structure that will build VEGGIE FRUITY;

- Chief executive owner(CEO)
- Plant manager
- Human resources and admin manager
- Merchandize manager

- Sales and marketing manager
- Accountants/cashiers
- Customer service executive
- Production worker's/machine operators
- Distribution truck drivers

VEGGIE FRUITY MARKET ANALYSIS

MARKET TRENDS

If you are conversant with what people eat or drink and their overall health, you will agree in recent times, loads of people are beginning to switch from soft drinks / carbonated drinks to fresh fruit related drinks because of the health benefit no doubt, the fruit and vegetable processing industry has grown steadily over the years as production companies have adapted to the rapidly changing consumer's preferences and lifestyle.

TARGET MARKET

When it comes to the sale of fruit juice drinks, there is indeed a wide range of available customers. In essence, our target market can't be restricted to just a group of people but all those who love fruit juice. Such group of people are:

- Household
- Children

- Corporate Executives
- Business People
- Celebrities
- Sport men and Women
- Students
- Tourist
- Everyone who resides in our target locations

OUR COMPETITIVE ADVANTAGE

Fruit and vegetable processing industry reveals that the market has become much more intensely competitive over the last years. As the matter of fact, the wide varieties of fruit juice flavours that will produce, our large distribution network and of course our excellent customer service culture will definitely count as a strong strength for the business. Also the vast experience of our management team, we have people on board who understand how to grow a business from the scratch to becoming a national phenomenon. Lastly, our employees will be well taken care of, and their welfare package will be among the best within our categories in the industry, meaning that they will be more than willing to build the business with us and help deliver our set goals and objectives. We will also give good working conditions and commissions to freelance sales agents that will recruit from time to time.

SWOT ANALYSIS

STENGTH

Our strength lies in the fact that we have a wide range of fruit juice flavors that can meet the needs of a wide range of customers. We have state of the art facility and equipment that has positioned us to meet the demand of products even if the demand tripled over night or if we have massive order to meet. Another factor that counts to our advantage is the background of our nutritionist; he has a robust experience in the industry and also a pretty good academic qualification to match the experience, which has placed him amongst the top officials in Nigeria.

WEAKNESSES

The fact that we are setting up a fruit juice business in a city with other fruit and vegetable processing companies might likely pose a challenge for us. In essence our chosen location might be our weakness. But nevertheless, we have plans to launch out with a bang.

OPPURTUNITIES

The opportunities available to us are unlimited. Loads of people will consume fruit juice on a daily basis and all we are going to do is push our products to them is already perfected. There are also loads of people looking for jobs, VEGGIE FRUITY is opened to accept willing and able workers

THREAT

The threat that is likely going to confront us is the fact that we are competing with

already established companies. There are also other entrepreneurs who are likely going to launch similar business within the location of our business. Another threat that we are likely going to face is unfavourable government policies and of course economic downturn. Usually economic downturn affect purchasing/spending power.

OUR PRODUCT AND SERVICE OFFERING

As part of our strategy to create multiple sources of income in line with our core business concept, we will run a consultancy service and trainings. Our intention of starting VEGGIE FRUITY is to make profits from the industry and we will do all that is permitted by the law in Nigeria to achieve our aim and ambition. Here are some of our products and services;

- Selling fruit juice of different flavours
- Training, advisory and consultancy services

SOURCES OF INCOME

VEGGIE FRUITY is established with the aim of maximizing profits in the fruit and vegetable processing industry in Nigeria and we are doing all that it takes to sell a wide range of fruit juice flavours to wide range of customers. VEGGIE FRUITY will generate income by selling the products and the training, advisory and consultancy services.

SALES FORECAST

One thing is certain when it comes to fruit juice business, if your fruit are well packaged, you will always attract customers cum sales and that will sure translate

to increase in revenue generation for the business. We are quite optimistic that we will meet our set target of generating enough income / profit from the first six months of operation and grow the business and our clientele base. We have been able to examine the fruit and vegetable processing industry, we have analysed our chances in the industry and we have been able to come up with the following sales forecast. Below are the sales projection for VEGGIE FRUITY, it is based on the location of our business and other factors as it relate to medium scale fruit juice production business start ups in Nigeria:

First fiscal Year: 90 million naira

Second Fiscal Year: 162 million naira

Third Fiscal Year: 270 million naira

N.B: this projection was done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown and there won't be any major competitor offering same product and customer care services as we do within same location. Please note that the above projection might be lower and at the same time higher.

MARKETING STRATEGY AND SALES STRATEGY

Prior to choosing a location to launch VEGGIE FRUITY and also the kind of flavour of fruit juice to produce, we conduct a thorough market survey and feasibility studies in order for us to penetrate the available market in the city where we intend positioning our business. We have detailed information and data that we were able to utilize to structure our business to attract the number of customers we want to attract per

time. \

We hired experts who have good understanding of the fruit and vegetable processing industry to help us develop the marketing strategies that will help us achieve our business goal of winning a larger percentage of the available market throughout Nigeria. In summary, VEGGIE FRUITY will adopt the following sales and marketing approach to sell our fruit juice:

- Introduce our fruit juice brand by sending introductory letters to resident, merchant and other stake holders
- Open our business with a party so as to capture the attention of resident who are our first target
- Advertise our product in community based newspapers, local TV and radio stations.
- List our business and product on yellow pages ads (local directories)

STARTUP EXPENDITURE (BUDGET)

Starting a standard fruit juice company is indeed a capital intensive business because of the amount required to set up a production plant. The bulk of the start-up capital will be spent on leasing or acquiring a facility and also in purchasing fruit extracting and processing machines.

Asides from that, we are not expected to spend much except for purchasing and servicing of distribution trucks, paying of your employees and utility bills. These are the key areas where we will spend our start-up capital;

- The total fee for registering the business in Nigeria- #270000
- Legal expenses for obtaining licences and permits as well as accounting services (software, P.O.S, machines, and other software) -#468800
- Marketing promotion expenses for the grand opening of VEGGIE FRUITY in the amount #1260000 and as well as flyer printing (2000 flyers at #15 per copy) for the total amount of- #1290000
- The cost of hiring business consultant-#900000
- Insurance (general liability, workers' compensation and property casualty) coverage at total premium-#864000
- The cost for payment of rent for 12months in the total amount of- #38016000
- Other start-up expenses including stationery (#180000) and phone and utility deposits-(#900000)
- Operational cost for the first three months (salaries of employees, payment of bills etc.)-#3600000
- The cost for start-up inventory (assorted fruits, additives and packaging material etc.)-#2880000
- Storage hardware (bins, racks, shelves, food case)-#1339200
- The cost for counter area equipment (counter top, sink, ice machine, etc.)- #3420000
- The cost of fruit juice making equipment (setting up production plant)-

#36000000

- The cost for store equipment (cash register, security, ventilation, signage)-
#4950000
- The cost of purchase of distribution vans-#18000000
- The cost for the purchase of furniture and gadgets (computers, printers, telephone, TV, sound system, tables and chairs etc.)-#1440000
- The cost of launching a website-#216000
- The cost of our opening party-#900000
- Miscellaneous-#900000

We would need an estimate of #108000000 to successfully set up our fruit juice production business.

FUNDING MECHANISM

VEGGIE FRUITY is a private business that is owned and financed by MRS Abdulwahab monsura temitope. She does not intend to welcome any external business partners which is why he has decided to restrict the sourcing of the startup capital. They are;

- Generate part of the startup capital from savings and selling of stocks
- Source for soft loans from family members
- Apply for loan from bank

N.B: we have been able to generate about #36000000 from personal savings and loan

from family members. We are at the final stages of obtaining a loan facility of #72000000 from bank. All the papers and documents have been signed and submitted, the loan has been approved and any moment from now our account will be credited with the amount.

SUSTAINABILITY AND EXPANSION STRATEGY

The future of a business lies in the number of loyal customers that they have, the capacity and competence of their employees, their investment strategy and the business structure. If all of these is missing from a business, then it won't be too long before the business closes shop. One of our major goals of starting VEGGIE FRUITY is to build a business that will survive off its own cash flow without injecting finance from external sources when the business is officially running. We know that one of the ways of gaining approval and winning customers over is to retail our fruit juice a little bit cheaper than what is obtainable in the market and we are prepared to survive on low profit margin for a while.

We will make sure that the right foundation, structures and processes are put in place to ensure that our staff welfare are well taken care of. As a matter of fact, profit sharing arrangement will be made available to all our management staff and it will be based on their performance for a period of three years or more. We know that if that is put in place, we will be able to successfully hire and retain the best hands we can get in the industry; they will be more committed to help us build the business of our dreams.

CONCLUSION

The project has been analysed and its of great benefit to the society at large.

