

1.0

EXECUTIVE SUMMARY

Lady Ella Agro Farm Enterprise is a sole proprietorship solely owned by Ekwueme Chinenye Emmanuella. The farm is into intensive Maize production. The farm is located at Anuka in Ogbuje in Nsukka Local Government Area Enugu State. We are venturing into this business to improve the availability of quality aflatoxin free maize grain, rich in carbohydrate and which is ever in high demand within the Nsukka/Obollo community and beyond. The farm will also create jobs for members of the community.

The start-up capital of the project is N2,821, 000. The promoter Emmanuella will need a loan of N2,227,600 to add to his own equity of N593,400 (Land) to establish the farm. The tenure of the loan shall be 3 years of 9% interest rate and 12 months moratorium.

Hectares of land will be needed to cultivate or grow the maize. Other capital equipment required to start up the farm are hoe, rake, cutlass, knapsack sprayer, wheel barrow, seed planter.etc

The promoter will be going for the best seeds perfectly suited for commercial maize farming.

A GPM of 48%, an NPM of 37 % and other financial projections indicates that the project will be very profitable and viable. Barring any setback the project is expected to take off in April 2017. The maize and other start-up item are to be procured in the same month of April. The food industries (beverages) and Feed mills contracted companies are our major markets but we shall also sell to consumer customers and Whole salers.

2.0

INTRODUCTION

The business name is Lady Ella Agro farm Enterprise. The farm is located at Anuka in Ogbuje in Nsukka Local Government Area. We are into Maize production; we produce quality Maize grain, very rich in Carbohydrate, vitamins and other important minerals. We are venturing into maize production because the high demands for quality maize in Nsukka, Udenu and other nearby communities remains so high and ever insatiable. This presents huge opportunities for young farmers to create jobs for themselves and make huge profits thereby becoming independent. We wish to produce this quality maize and as well create jobs for ourselves and members of my immediate community.

2.1 VISION AND MISSION STATEMENT

Mission:

- To increase aflatoxin-free maize production in Nsukka and beyond by adopting improved agronomic practices. Increased production of aflatoxin-free maize grains by cultivation of 2hectares of land which will yield 7tons of maize as a hectare produces 3.5tons through mechanized farming.
- Creation of employment opportunities.
- Provide reasonable income from the output thereby reducing rural poverty for the army of youths and women.
- Improve food security both for man and animals by supplying quality maize to food industries and feed industries for their effective production.

Vision:

- To produce or grow maize on a commercial scale.
- To have a maize farm that will produce at least 17.5 tons of aflasafe maize in the next 5years through the cultivation of 5hectares of land.
- To have the biggest Maize farm within Nsukka local government area.
- To be able to employ at least 50 persons in the next five years of operation

2.2 OWNERSHIP OF THE ENTERPRISE

Ladyella Agro farm enterprise is owned by Ekwueme Chinenye Emmanuella, an undergraduate student of department of Human Nutrition and Dietetics of University of Nigeria Nsukka. She hails from Obollo-Eke in udenu local government area. She is the last born of a family of four and she lives with her family members in Nsukka town metropolis.

2.3 LEGAL STATUS

Ladyella Agro farm is registered with the co-operate affairs commission Enugu Nigeria with the certificate number EN 17,737. Currently we have no legal representative.

2.4 LOCATION AND FACILITIES

The farm is located at Anuka in Ogbuje in Nsukka Local Government Area. There is no farm house available but I have farm implements like hoe, rake , cutlass, knapsack sprayer, wheel barrow, seed planter.etc

2.5 PRODUCTS/SERVICES

- Production of maize grain.
- Supplying of Maize grain to open market for consumer customers.
- Supplying of maize grains to feed mills and other food industries for production of food and feeds.

2.6 BUSINESS STRATEGY

| Adverts/Promo strategies | Budget per annum | Details of Frequency and justification of budget |
|---------------------------------|-------------------------|---|
| Voice Fm (COSPAM) | 10,000 | Twice especially when we have maize to sell |
| Lion Fm (UNN) | 5,000 | Three times, Majorly when we have stock to sell |
| Local Newspapers | 6,000 | Twice especially when we have maize to sell |
| Announcements in Churches | Nil | At least five different churches every month |
| Promo | | Some discounts for any buyer buying above 100kg bag. |
| TOTAL | 21,000 | |

I will be making use of the radio stations at voice Fm Nsukka and Lion Fm (UNN) to get the awareness of the existence of Lady Ella Agro Farms on air. This will go wider and faster to tell the nearby communities that we have maize of good quality. We shall also visit the various churches to make facial announcements about our products and why they should buy from us. We shall also pay for half pages on the local newspapers for adverts. Whenever we are big enough to own our own truck we shall convey our maize to the customer's choice destination with very low transportation costs to encourage our customers to keep coming back for more. Every customers buying from 100kg bag and above at once will be given some discounts.

2.7 KEY SUCCESS FACTORS

Successful maize production requires creative strategies for managing the production as a business as well as implementing these strategies themselves. In Ladyella Agro Farms we have key drivers for successful production.

1. **High seed quality:** We have seeds that produce good full grains that are pest/insect resistance.
2. **Low Mortality:** The ability of these seeds to resist insect and pest effects reduces or lowers their rate of mortality, thereby increasing yields quantity.
3. **High target output:** the targeted number of maize produced and sold per year drives the profitability of our farm.
4. **Low and efficient cost of production:** The low and efficient cost of production, lower operating cost per seed and higher fertilizer efficiency per hectare also drives the profitability of our farm.

2.8 Revenue Base

| MONTHS | YEAR 1 | YEAR 2 | YEAR 3 |
|-----------------------|----------------|----------------|----------------|
| 1 st MONTH | ----- | ----- | ----- |
| 2 nd MONTH | ----- | ----- | ----- |
| 3 rd MONTH | ----- | ----- | ----- |
| 4 th MONTH | ----- | ----- | ----- |
| Total Revenue | 1200000 | 1440000 | 1728000 |

3.0 MARKETING AND CLIENTS

3.1 Nature and size

Orie market orba is our major market, it is a market that is done every orie day(4 days interval).

It is a huge market with so many maize buyers who buys in whole sale.

Ogige market is also a market of our target. We distribute in large quantity to consumer customers, and also to whole salers who at times comes from Enugu and other far distance to this market as it is at the central part of Nsukka. The market is also huge and the most interesting part is that the market is a daily base market, which means that sales are on, on each day.

3.2 TARGET CLIENTS

- Home consumers who buys for their daily consumption.
- Feed mills like Zenab feed mills and King size feed mills.
- Food industries (beverages) that produces goods like custards, Golden morn, cornflakes, etc.
- Whole salers who buys in large quantity and then sales to those petty traders who roast corn on daily basis to direct consumers and to those who also uses it in the production of raw pap.

3.3 KEY COMPETITORS AND PLAYERS

There are so many cooperative societies like the Golden farmers multipurpose cooperative society and crested crowns multipurpose cooperatives society are into commercial maize farming through some governmental and non-governmental programmes. They also grow maize in large quantities, but Lady Ella Agro farm have an edge over them by producing aflatoxin-free maize grains.

3.4 PRODUCTION PROCESS

The first thing to be done in the production of maize is land clearing, which is followed by ploughing of the land, after this the land will be harrowed then the ridging process will follow.

After ridging the next thing to do is planting of the seeds. After planting, pre-emergence herbicide will take place, after which post-emergence herbicide will also take place. Fertilizer will be applied to the farm to boost the yield of crops. Harvesting will take place after three months of planting; some will be stored, while some will be distributed fresh to various customers.

3.5 SERVICE DELIVERY

Our goods will be delivered to our various customers ourselves using a sound truck which we rented since we are not able to buy our own for now. We will deliver to the consumer customers, to the feed mills, to our whole salers and to food industries in other to encourage them to still buy from us as we ourselves knows that we are still making profit despite the service we are rendering to them.

3.6 QUALITY ASSURANCE

There is a toxin called Aflatoxin that infects crops, especially maize which is very Cancerous therefore, we apply aflatoxin which is produced by the international institute of tropical agriculture in Ibadan to control the aflatoxin. This is applied after thirty five (35 days) of planting. With this procedure, we produce aflatoxin-free maize which is pure and hundred per cent (100%) safe.

3.7 DEMAND/SUPPLY ANALYSIS

The demand of our product is really high due to its quality of being aflatoxin free maize grains. We really do our best to meet up by supplying to any or all of our customers that placed order or demand of maize to their various destinations, but we give a very good discount to any customer that comes to the farm in purchase of maize.

3.8 TECHNOLOGY

Lady Ella Agro farm enterprise applies various technologies to meet up with demand as we have our customer's satisfaction as one of our major priority. Some of the technologies include the use of knapsack sprayer, the use of seed planter, renting of tractors from the federal or state government, the use of harvester. Etc

3.9 COMPETITIVE EDGE

There are so many cooperative societies like the Golden farmers multipurpose cooperative society and crested crowns multipurpose cooperatives society are into commercial maize farming through some governmental and non-governmental programmes. They also grow maize in large quantities, but Lady Ella Agro farm have an edge over them by producing aflatoxin-free maize grains.

4.0 MARKETING PLAN

4.1 Marketing plan

Lady Ella Agro farms aims to produce good quality maize very rich in high quality carbohydrate and this is very achievable due to the high and efficient standard of our seed and the due sequential production process that will be practiced in the farm. This will lead to high bumper harvest which will meet up to customers or consumers demand as we set proper distribution strategies.

4.2 Promotion and distribution strategy

As starters in maize production we do not have our own means of transporting and delivering maize to our customer's destination but with time as we expand we hope to acquire a truck with which we distribute our products upon buying. For now we have to rent truck for our supply purposes and also our customers can come to the farm to buy at farm gate prices with some discounts. Our goods can be promoted through various strategies such as Advertisement through paper fliers, through radio stations and also through personal or face to face advertisement in any social gathering such as workshops, churches. etc

4.3 ALLIANCES

Lady Ella Agro farms enterprise is into alliance with Phenoma feed Group Company of Nigeria, with the right that one third of all their yield is Phenoma's property without considering if the yield is good or not.

4.4 Market positioning

The various target markets which our goods will be distributed are located at the centre of each of the locality and this increases the rate of sales to both consumer customers and whole salers.

4.5 Service delivery strategy

The service strategy that we have to deliver our goods or products with are to transport our products to various location that our customers need them and also through our customers coming themselves to the farm to get our products at a discount price. Our goods will be delivered to our various customers ourselves using a sound truck which we rented since we are not able to buy our own for now. We will deliver to the consumer customers, to the feed mills, to our whole salers and to food industries in other to encourage them to still buy from us as we ourselves knows that we are still making profit despite the service we are rendering to them.

4.6 SWOT Analysis

Strength:

- ❖ Efficient skills and experience in maize production.
- ❖ Our good management practices.
- ❖ Our low and efficient farming mechanism which reduces our cost of production.
- ❖ Ability to keep our maize free from aflatoxin that infects crops (Especially maize)
- ❖ Our devotion and commitment to the farm work.

Weaknesses:

- ❖ Ability to procrastinate often times.

Opportunities:

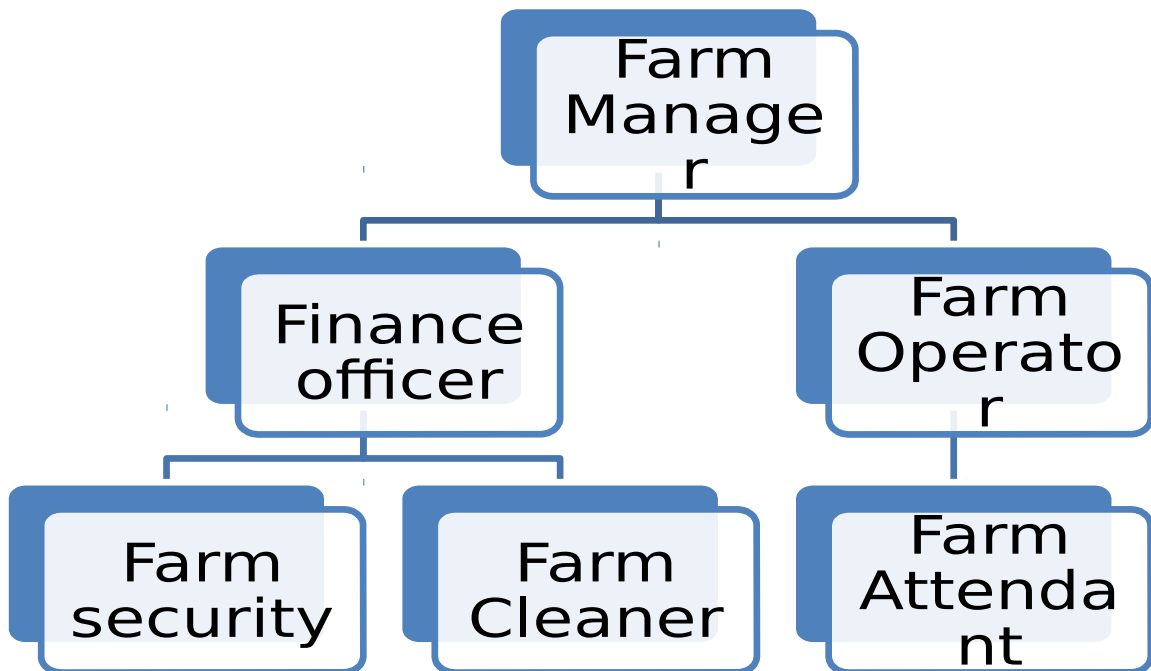
- ❖ Good quality road network to the farm.
- ❖ Easy accessibility of Agric Loans for start-up and expansion of Agro businesses.
- ❖ Availability of raw materials and consumables.

Threats:

- ❖ High cost of raw materials.
- ❖ No means of carrying raw materials to the farm and carrying maize to the buyer's choice location.
- ❖ Insufficient start-up capital.

5.0 ORGANIZATION AND MANAGEMENT

5.1 Organizational structure



5.2 Value proposition

Maize is consumed to provide carbohydrate which is one of the basic classes of food needed by humans for energy and growth of muscles. Lady Ella Agro farms Enterprise will provide quality maize that is very rich in Carbohydrate, vitamins and important minerals. This will be achievable as we plan to adopt a high and efficient farming standard. We plant our seeds and carry out application of aflatoxin after thirty five days (35 days) of planting. We also carry out pre-emergence and post emergence herbicide to curb up the rate of weed growth and also the rate of pest and insect infection. This methods stand us out amongst our competitors as buyers will always shy away from maize that are not aflatoxin free which is easily detected on close examinations as many of the seeds in the corn horn will be battling with insects or pests.

5.3 External support

Lady Ella Agro farm enterprise gets an external support from the commercial agriculture development project which is being sponsored by the World Bank as they help in granting loan to young farmers or youth that are interested in agriculture.

6.0 LEGAL, REGULATORY, SOCIAL AND ENVIRONMENTAL ISSUES

6.1 Social Issues and Environmental Issues

Safeguard Issues (Environmental and social management plan –ESMP)

| | EXPECTED IMPACTS | MITIGATION | KEY PERFORMANCE INDICATIONS |
|---|--------------------|---|-----------------------------|
| 1 | Loss of vegetation | Limiting the clearing of vegetation to where it | All cleared areas are |

| | | | |
|---|---|--|--|
| | | areas required. Field visits for setting out of area to be cleared. | cultivated |
| 2 | Conflict within the CIG and service provider | CIG to be trained on the procurement procedures | Ability of the CIG to describe the procurement processes it undertook |
| 3 | Disease/ HIV spread among permanent and visiting workers | Enlighten the worker on the prevalence of HIV and other STDs | HIV status of the workers and villagers |
| 4 | Increase in Nitrate values of ground water | Carry out cultivation test to determine the right nutrient requirements of the soil | Nitrate level of ground water in the area |
| 5 | Contamination of surface water from heavy use of animal manures | Training on use of chemicals in commercial Agriculture; Proper disposal of Agrochemicals and containers of wastes in approved sites. | Water quality of nearby stream |
| 6 | Erosion of top soil | Ridging across the contour on slopes; provision of instructional materials on observance of best practices. | States of top soil; knowledge of best practices |
| 7 | Soil contamination, poison of humans or animals from the use of agrochemicals | No chemicals on the banned list will be used; Provision of safety wears like nose guards, boots, overalls, and hand gloves | Knowledge of chemicals on the banned list; contamination of used and unused chemicals will be kept for examination; health status of workers |
| 8 | Accidents from other farm operations | Provision of first aid box. CIG to be trained on use of First Aid box | Presence and state of First Aid box |
| | TOTAL | | |

7.0

FINANCIAL PLAN

7.1 Project cost

Cost Items/Equipment

Table 1: Checklist of cost items

| S/N | items | | Unit Cost | Total Cost | category | CIG's Contribution (40%) | IDA (60%) |
|-----|-------|----------|-----------|------------|-----------------|--------------------------|-----------|
| | | Quantity | (₦) | (₦) | Grants Category | (₦) | (₦) |

| | | | | | | | |
|---|--|----------|---------|---------|-------|---------|----------------|
| | | | | | 2 | | |
| 1 | Land Preparation | 5 ha | 45,000 | 225,000 | Grant | 90,000 | 135,000 |
| 2 | Hybrid maize seeds | 100kg | 350 | 35,000 | Grant | 14,000 | 21,000 |
| 3 | Aflasafe Inoculum | 50kg | 1,500 | 17,500 | Grant | 7,000 | 10,500 |
| 4 | Herbicides (Pre & Post) | 50 litre | 6000 | 75,000 | Grant | 30,000 | 45,000 |
| 5 | Fertilizer (50kg) | 40kg | 1,100 | 240,000 | Grant | 96,000 | 144,000 |
| 6 | Insecticides | 10 litre | 280,000 | 11,000 | Grant | 4,400 | 6,600 |
| 7 | maize Sheller | 1 | 480,000 | 280,000 | Grant | 112,000 | 168,000 |
| 8 | 2 ton storage bin | 1 | 10,000 | 480,000 | Grant | 192,000 | 288,000 |
| 9 | Knap- sack Sprayers | 2 | | 20,000 | Grant | 8,000 | 12,000 |
| | EMP | - | - | 100,000 | Grant | 40,000 | 60,000 |
| | Demonstrations on aflatoxin-free maize production technologies (2 in no) | - | | | Grant | - | 200,000 (100%) |
| | Total | | | | | 593,400 | 1,090,100 |

7.2 Projected income statement

Table 2:

| ACTIVITIES/ITEMS | Unit | Unit Cost | Quantity | Cost (N) | Remarks |
|--|------|-----------|----------|-----------|---------|
| Revenue (income) | | | | | |
| (a) Sales of aflatoxin-free maize grains | Tons | 65,000 | 17.5tons | 1,137,500 | |
| Total Revenue (A) | | | | 1,137,500 | |

| | | | | | |
|---|----------------|---------|-----|---------|---|
| VARIABLE COSTS | | | | | |
| Maize seeds | kg | 350 | 125 | 43,750 | |
| Aflasafe innoculum | Kg | 350 | 50 | 17,500 | |
| Herbicides | Litre | 1,500 | 50 | 75,000 | |
| Fertilizer | Kg (50kg bags) | 6000 | 40 | 240,000 | |
| Insecticides | Litre | 1,100 | 10 | 11,000 | |
| Contingency | - | - | - | - | - |
| | | | | | |
| Land Preparation (Ploughing, harrowing and ridging) | Mandays | 9000 | 5 | 45,000 | |
| Labour | | | | | |
| Planting | Mandays | 9000 | 5 | 45,000 | |
| Application | | 0 | | 25,000 | |
| Harvesting | mandays | 5,000 | | 538,500 | |
| TOTAL VARIABLE COST (B) | | | | | |
| FIXED COST (DEPRECIATION) | | | | | |
| Maize sheller | No | 380,000 | 1 | 38,000 | |
| 2ton storage bin | No | 480,000 | 1 | 48,000 | |
| Knapsack sprayers | No | 10,000 | 2 | 5,000 | |
| TOTAL FIXED COST | | | | 91,000 | |
| | | | | | |
| TOTAL COST (B+C) = D | | | | 629,500 | |
| GROSS MARGIN (A-D) | | | | 508,500 | |
| | | | | | |

NB = FIVE HECTARES OF LAND FOR THE PRODUCTION OF AFLASAFE MAIZE GRAINS

7.3

Projected cash-flows statement

TABLE 3; CASH FLOW PROJECTIONS

| S/N | DESCRIPTIO | 1 | 2 | 3 | 4 | 5 |
|-----|------------|---|---|---|---|---|
|-----|------------|---|---|---|---|---|

| | | | | | | |
|--|--------------------------------------|-----------------|------------------|------------------|------------------|------------------|
| | N | | | | | |
| | INFLOWS | | | | | |
| | Equity | 593,400 | 1,683,500 | 1,683,500 | 1,683,500 | 1,683,500 |
| | CADP Grant | 1,090,100 | - | - | - | - |
| | Sales | 1,137,500 | 1,194,375 | 1,254,093 | 1,316,798 | 1,382,638 |
| | Other revenues | - | - | - | - | - |
| | Re-Investment | - | 876,600 | 1,242,260 | 1,401,255 | 1,478,221 |
| | Total Inflow | 2821,000 | 3,254,475 | 4,179,853 | 4,401,553 | 4,544,395 |
| | OUTFLOW | | | | | |
| | Machinery & Equipment (Depreciation) | 91,000 | 91,000 | 91,000 | 91,000 | 91,000 |
| | Material input | 378,500 | 397,425 | 417,296 | 438,160 | 460,068 |
| | Labour Input | 160,000 | 160,400 | 168,420 | 176,841 | 185,683 |
| | Total Outflow | 629,500 | 648,825 | 676,716 | 706,001 | 736,751 |
| | Net Cash Flow | 2,191,500 | 3,105,650 | 3,503,137 | 3m695,552 | 3,807,608 |
| | Repayment | - | - | - | - | - |
| | Re-Investment | Nil | 764,400 | 1,088,430 | 1,234,185 | 1,309,438 |

7.4 Profitability analysis

Table 4; Financial Analysis

| YR | COST | REVENUE | INCREMENTAL | DISCOUNT FACTOR @ 1.5% | NPV | DISCOUNTED COST | DISCOUNTED REVENUE |
|----|---------|-----------|-------------|------------------------|-----------|-----------------|--------------------|
| 1 | 629,500 | 2,821,000 | 2,191,500 | 0.87 | 1,906,605 | 547,665 | 2,454,270 |
| 2 | 648,825 | 3,754,475 | 3,105,650 | 0.76 | 2,360,294 | 493,107 | 2,853,400 |

| | | | | | | | |
|---|---------|-----------|-----------|------|-------------------|------------------|-----------------|
| 3 | 676,716 | 4,179,853 | 3,503,137 | 0.57 | 1,996,788 | 385,728 | 2,382,51 |
| 4 | 706,001 | 4,401,553 | 3,695,552 | 0.58 | 2,143,420 | 409,481 | 2,552,90 |
| 5 | 736,751 | 4,544,359 | 3,807,608 | 0.50 | 1,903,803 | 368,376 | 2,272,17 |
| | | | | | 10,310,910 | 2,204,357 | 12,515,2 |

NPV = N 10,310,910

BCR = 5.68

8.0 RISK ANALYSIS, CONTINGENCY PLAN AND EXIT STRATEGY

8.1 Risk Assessment and mitigation measures

| Investment Plan Activity | Impact | Mitigation Measures |
|---|-------------------------------------|---|
| Irregularity of rainfall | Poor growth of maize crop | Use of irrigation pumps to irrigate the farm from the river beside the Anuka farm |
| Pests and disease infestation on the farm | Reduction of yield | CIG should use herbicides, pesticides, fungicides |
| Tractor operation in the farm | .Noise pollution . Air Pollution | -Training on appropriate use and handing of the tractor. |

| | | |
|--|------------------------|---|
| | . Loss of biodiversity | - Training on maintenance of the tractor. |
|--|------------------------|---|

9.0 OTHER CONSIDERATIONS, CONCLUSION/RECOMMENDATION

9.1 Economic Justification

- ❖ The existence of Lady Ella Agro farm Enterprise will increase the availability of quality aflatoxin free maize grains, very rich in Carbohydrate, vitamins and other important minerals.
- ❖ It will create employment for members of the community.
- ❖ It will provide reasonable income from the output thereby making the farmer independent and free from poverty.
- ❖ It improves Food security.

9.2 Conclusion

Maize farming is a very profitable business for a passionate young farmer to venture into. It presents lots of opportunities as highlighted in the business plan so also lots of challenges but Lady Ella Agro farm Enterprise if supported and empowered by the government is ready to face and overcome these challenges and break into the Maize industry with a uniqueness that will wow the Maize consumers.

