

UNIVERSITY OF NIGERIA, NSUKKA

FACULTY OF ARTS

DEPARTMENT OF MASS COMMUNICATION

A

**BUSINESS PROPOSAL ON SNAIL FARMING SUBMITTED IN
PARTIAL FULFILMENT ON THE COURSE BUSINESS GROWTH
AND DEVELOPMENT (CEDR 342).**

BY

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1.0 Executive summary

1.1 The following report and recommendation relate to the proposal by HighJey snail farm to establish a snail farm in Bori, Rivers state.

1.2 The project would require a startup capital of #254,480 made up of N190,480 working capital and fixed assets of N64,000.

1.3 The enterprise's vision is to be the most outstanding producer of snail meat in South South of Nigeria, particularly Rivers state.

1.4 The project will be located at Rivers state because of its easy access to target market from the location.

1.5 A huge market is available for the business to serve.

1.6 The financial projections show that the project would be financially stable by the time it matures. The sales figures stand at 564,000; 645,000; 786,000; 890,000 and 1,500,000 for year 1 to year 5 respectively.

1.7 The competitive edge of the enterprise is effective and reliable snail farming processes that can help sell the snail, good price, good network and excellent relationship management. Snail farming is not a competitive business, the competition is low.

1.8 The profitability measures are as shown below:

Table 1:

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---------------------------|---------|---------|---------|---------|-----------|
| Turnover | 564,000 | 645,000 | 786,000 | 890,000 | 1,500,000 |
| Profit Before Int and Tax | 480,000 | 686,000 | 790,000 | 900,000 | 1,900,000 |
| Profit After Tax | 483,000 | 645,000 | 786,000 | 890,000 | 1,500,000 |
| Return | N/A | 36.04% | 42% | 49% | 54.45% |

| | | | | | |
|----------------------|-----|--------|--------|--------|--------|
| on sales | | | | | |
| Return on equity | N/A | 80% | 98.04% | 94.23% | 90% |
| Return on investment | N/A | 74.03% | 92.3% | 96.54% | 101.2% |

From the point of view of the analysis of our findings, the proposed project is found to be technically feasible, financially viable, and economically desirable. Thus, the project offers good investment benefits, and is therefore highly recommended for implementation.

Part II

1.0 Introduction:

It is clear generally that unemployment is unacceptably high and that it is here to stay except we do something about it. The Nigerian economy as it is presently run does not have the capacity to absorb chains of thousands of unemployed youth. In other words, the Nigerian graduates of today can no longer rely on the Nigerian labour market to provide jobs. Graduates have to invent an alternative source of employment which is self-employment or entrepreneurship. It is against this background that I have chosen this very attractive area of self-employment called snail farming or heliciculture. It is one of the easiest and least expensive types of farming that provides employment opportunities to all categories of people and generates foreign revenue without you running from pillar to post. Snail farming business is healthy, less risky, less expensive and environmentally friendly.

1.1 Vision

- i. To contribute my quota to reduce graduate unemployment in Nigeria by engaging myself in this viable venture of snail farming.
- ii. To expose the idea of snail farming in Nigeria as great income opportunities and to show people on how to prosper through it despite the economy.
- iii. To direct employees on how to augment their income without affecting their present job.
- iv. To practice the adage that says “the more we are in the league of millionaire the merrier it becomes and the better for the peace and prosperity of our Nation”.
- v. To let people know that Nigeria is greatly blessed with resources yet unexplored and to reveal the economic importance, nutritional composition and medicinal values of snails.
- vi. To promote and encourage bilateral relation between Nigeria and other countries by way of trade.
- vii. To reduce financial crises in our society and encourage sole trader business through example and practice.
- viii. To improve the standard of living of people through the provision of highly prolific Achatinaachatina snail that does not contain fat and cholesterol.
- ix. To transfer the technology to retirees, house-wives, young school leavers, inventors, traders, local dwellers, applicants, Family Economic Advancement Programme (FEAP) / NGOs and workers who need extra income to augment their meagre salary.

2.2 Mission

- i. A strong desire for self-employment
- ii. A desire for responsibility and independence (i.e.; financial independence).
- iii. A desire for the glamour attached to entrepreneurship.
- iv. A high need for achievement and success through personal innovation and speculation.
- v. A yearning desire to fulfill the needs of others.

2.3. Key Success Factors

- a. Adequate start-up capital.

- b. Low risks of production.
- c. Availability of high quality breeds of snails.
- d. High demand for snails.
- e. Good market potential.
- f. Few competitors.
- g. Availability of space.
- h. Good communication network.
- i. Good road network.
- j. Adequate manpower.

2.4 Inherent Risks

- a. Will the implementation of this project attract more entrants to the business to compete with.
- b. Provision of basic utilities like water is not guaranteed.
- c. Rural dwellers poses as major competitors.

2.5 Business Ownership

The business is a sole proprietorship wholly owned and managed by Nwankpu Ijeoma.

2.6 Locational Factors

- a. Availability of space.
- b. Availability of water and humus-rich soil.
- c. Presence of juicy vegetables and aromatic plants that are used as feeds for snails.
- d. Calmness and secure environment.
- e. Access road and communication network.
- f. Favorable weather condition for snail breeding.
- g. Availability of manpower (both skilled and unskilled).

h. Presence of customers.

2.7 Available Market

Industrially, Bori is one of the industrialized cities in Rivers State with good market potential. The city has several markets which ranged in size from 7800x9600cm to 12800x14400cm and 42200cm x 55500cm respectively. Local dwellers, investors and traders from all over south, east and west come to these markets to buy goods and services.

Part iii

2.0 Products

HighJey snail farm will provide the following products

- a. Snail meat
- b. Live snails

3.1 Product Description

The matured snail shall be sold raw and also in its processed form. The processed snails shall be properly washed using alum and salt and weighed accordingly, refrigerated and supplied to entries, food stores, and place of need.

3.2 Costing

For feeding snails you have to keep in mind their 'vegetarian status,' therefore you will have to feed them with juicy vegetables and fruits which includes pawpaw, mango, cocoyam, pineapple, sweet potatoes, leaves, peels from yam; lettuce, tomatoes, beans, water leaf, citrus, carrots, cucumber, and aromatic plants as laurel.

3.3 Market Demand

The demand for snail meat and its products are higher than the supplies as such; the market potential of snail is inexhaustible, locally and internationally. My observation shows that out of 100% snail needed in Bori market for both local and international consumers in a year, only 68% was available. There is, therefore, the need for increased production in other to meet up the 100% snail demand.

3.4 Projected Annual Demand of Snails in Rivers and its environs (2017-2019).

About 13,000 tons of snail meat are demanded yearly in Rivers state for the past four years. This figure is expected to grow with the growth in population. It's rational to expect that the demand for snails will grow with at least a growth rate. (See Table 2.)

Table 2: projected Annual demand for snails in Rivers and its Environs.

| S/N | Years | Annual growth rate | Projected demand |
|-----|------------------|--------------------|------------------|
| 0 | Base year (2016) | 1% | 12,500 tons |
| 1 | 2017 | 1% | 13,000 tons |
| 2 | 2018 | 1.5% | 14,000 tons |
| 3 | 2019 | 1.5% | 14,800 tons |
| | Total | 50% | 55,400 tons |
| | Average | 1% | 13,500 tons |

This projected average annual demand for snails in Rivers and its environs is about 14,000 tons. It is expected that this level of demand will subsist for the next years.

3.5 Projected Demand-Supply Gap of snails in Rivers and its Environs.

Table 3: projected demand-supply gap of snails.

| | |
|---------------------------------|--------------------------|
| Adjustment | Demand-Supply Gap |
| Estimated average annual | 13,800 tons |

| | |
|---|----------------------------------|
| demand Less 35% of supplies of existing snail farm in the area | 4,830tons |
| Less 20% due to expansion of existing snail farm and establishment of new ones | 8,970 tons 1,794 tons |
| Less 5% estimate error | 7176 tons 358 tons |
| Estimated Demand-supply Gap anticipated annual production of snail meat | 6818 tons 179 tons |

However, the plan is to produce about 179 tons of snails yearly. Thus, it is assumed that selling the snails won't be a problem.

Part iv

Market, customers and competitors

3.0 Market Analysis

HighJey snail farm is an exciting business opportunity since there is huge market for snail meat in rivers state and its environs.

4.1 Customer/Market Segmentation

The following are the classes of customers for snail meat:

- a. There are those that mainly buy the snail live and kill it for the purpose of selling it. they are usually price sensitive but can buy in bulk and even pay in advance.
- b. Households: they mainly buy dressed snail meat. They usually buy in bits and sometimes are not particularly price sensitive. However, they are sensitive to hygienic issues and quality of snail meat.
- c. Restaurants: these class of customers buy dressed pork but unlike the households, they can buy in bulk and sometimes pay in advance. They are price sensitive.

HighJey snail farm plans to articulate appropriate marketing for each class of customer.

Part V

5.0 Marketing Plan

There are no major snail farms in Rivers area hence there is complete absence of structured snail farms that can really put up commendable competition. Therefore, if HighJey snail farm commences operation as planned, it will be a market leader in no distant time.

5.1 Promotion Strategy

Both advertising and sales promotion shall be employed. The nutrition benefit of snails will be made known. Discount shall also be given with respect to quantities purchased. Some dried snails shall be made available to customers who wish to taste the product.

5.2 Marketing Strategy

The matured snail shall be sold raw and also in its processed form. The processed snails shall be properly washed using alum and salt and weighed accordingly, refrigerated and supplied to entries, food stores, and place of need.

The price for each adult snail depends on the weight and quality. For example, matured raw snail in-shell cost N 500 to N 600 per one while the same size of the processed snail cost N 600 to N 700 per snail respectively.

The main production shall be Koro Farm Garden, where there is no noise but adequate maintenance including security. While the marketing office shall be in an open place, 34 Mayor Street, Bori where all my customers can have easy access.

5.3 Market Positioning

HighJey snail farm will position itself as the market leader in the snail meat market in Enugu and its environs. The farm will create peculiar leading rdge profile for itself. The under stated is how the firm will want to be seen by its competitors, customers and the general public.

As a provider of quality snail meat.

As a farm that has the customer's interest at heart, in the form of hygiene, pricing and delivery.

As a trust worthy provider of consistently reliable snail meat.

5.4 Projected Sales

Table 4:

| | Sales from snails | Sales from dressed snails | Total sales (N) |
|--------|-------------------|---------------------------|-----------------|
| Year 1 | 232,000 | 332,000 | 564,000 |
| Year 2 | 400,000 | 450,000 | 850,000 |
| Year 3 | 600,000 | 400,000 | 1,000,000 |
| Year 4 | 854,000 | 646,000 | 1,500,000 |
| Year 5 | 1,099,020 | 900,980 | 2,000,000 |

Technical Analysis, Management and organization

6.0 Technical Analysis

The African giant snail (*Achatina achatina*) has coiled shells in their adult stage. They are hermaphrodites and so, they do not require a partner to copulate. They are oviparous and can lay eggs between 10 and 30 days after mating. Eggs laying takes place during the rainy season or when provided with the required food, which are mostly juicy vegetables, constant water, a favourable weather condition of an average of 25°C to 30°C and humidity of 80%

The species lays about 200 to 400 eggs in one batch 2 to 3 times a year. It takes about 11 days for its egg to be hatched in the humus-rich soil. All species of snail get matured for harvesting by

the 5th to 7th months and are actually ready for consumption or marketing. Snails could live as long as 7 to 10 years in their natural habitat. Snails have different names for examples the French snail (Escargot) and the American Pomode.

The Roman snail (*Helix pomatia*), the garden snail (*Helix aspersa*) and the African giant land snail (*Achatina achatina* and *Achatina fulica*). Snails produce enzymes zymolyse used industrially to lyse the cell wall of organisms, thereby breaking the genetic barrier and allowing mating and fusion of otherwise two non compatible organisms. One interesting things about snails is that they have no noise, no adour, no irritation and hardly fall sick. Snail business is therefore a GEM in the kingdom livestock and the risks of production are low.

6.1 Schedule of Operation

A stock of 300 giant snails has been planned for the snail farm. Snails are oviparous and can lay 200 to 400 eggs in one batch 2 to 3 times a year. It takes about 11 days for its egg to be hatched in the humus-rich soil. All species of snail get matured for harvesting by the 5th to 7th months and are actually ready for consumption or marketing. Snails could live as long as 7 to 10 years in their natural habitat. Snails hardly fall sick.

6.2 Management and Organization.

6.2.1 Owner/Manager

HighJey snail farm is a sole proprietorship. It is wholly owned by Ijeoma Nwankpu, who being the sole owner of the farm will manage the affairs of the snail farm. Miss Ijeoma Nwankpu has enough basic knowledge in financial management which she is expected to utilize in running the farm.

To help in the day to day management of the farm, some other good hands will be hired. The plan is that the hired hands will complement Miss. Nwankpu especially in the area of technical know how in snail farming. Table 7 shows the staff and management complement of the snail farm.

Table 5: Management and Labour complements

| S/N | Positions | Annual salary per staff | Total | |
|--------------------|-----------|-------------------------|-------------------|--|
| Proprietor | 1 | 240,000 | 240,000 | |
| Farm assistant | 2 | 96,000 | 192,000 | |
| Typist/Cashier | 1 | 108,000 | 108,000 | |
| Security man | 1 | 72,000 | 72,000 | |
| 5% fringe benefits | | | 612,000 32,000 | |
| Grand total | | | 644,000 | |

Figure 1 below shows the organizational structure of the farm
Figure 1.

6.3 External Support

Both skilled and unskilled staff will work in the snail farm. While some will work full time, others will work on a part-time basis.

6.4 Value and norms of the company

Highje snail farm plans to adopt the following norms and values.

- a. To offer the best for the benefit of her customers.
- b. To uphold her integrity always.

- c. To see her employees as her most valuable assets.
- d. To always be available to her customers.
- e. To do her business within the Federal, state and local government laws.

Part vii

Legal, environmental, social and regulatory issues.

7.0 Legal issues.

- a. Payment of taxes (e.g., sales or VAT tax, capital gain tax).
- b. Registration of the business (with the corporate affairs commission, CAC)
- c. Getting licenses and permits.
- d. Obeying regulations regarding employees (such as working hours, holidays, sick leave, occupational safety and health; and settling of disputes among employees)

7.1 Environmental.

Snail farming is a GEM in the kingdom of livestock. It is environment friendly and as such; do not add any danger to the environment. Snails have no odour, no noise and no irritation as stated earlier. The presence of snails helps to reactivate the soil and makes it fertile. The feeding habits add manure to the soil and this support high yield of crops.

7.2 Social.

Snail is an export commodity, which has value next to gold overseas. Economically, snail is a real export market that earns foreign revenue without you running from pillar to post. If your startup capital is #100,000 you can generate the sum of one million naira in one year. Socially, snailshells are used for recreational purposes including beautification of homes, and many other events. This also boosts the economy of a country. The shell of snail is also of industrial importance as it

is used in the manufacture of other raw materials. Its enzymes are used in genetic engineering for cell wall treatment. The supposed waste aspect of snail after processing is essential in agriculture and particularly in fish farming.

7.3 Regulatory

The snail farm will comply with all environmental regulations, as well as all relevant industrial safety regulatory requirements.

Part VIII

8.0 Risk Analysis.

The systematic risks such as government policies affect all businesses. The major risks confronting this snail farm business are, unsystematic risks within the business and then include the following: Human interference, Theft, Predators: ants, lizard. Ear wigs, toad, frogs, nematodes and birds, millipedes, Fungi, Vibration, Unnecessary noise, Harsh lighting torch, wetting of snails pens especially during the season.

Table 6:

| Identified Risks | Mitigants |
|--------------------|---|
| Human interference | Avoid any form of human interference to the pens, including the use of harsh lighting torch at night and unnecessary vibration and noise. |
| Theft | Adequate security against theft. The pen ranges from the use of pots, drums and plastic enclosures to ponds. Open pond or pen for the free range system allows the snails to dwell in what is a replica of their natural habitat. |

| | |
|-----------|--|
| | |
| Predators | Construction of an ideal snails' pen. An ideal snails' pen is a rectangular-shaped enclosure made of wood, cement; 6-inch blocks and galvanized sheet steel to house the snails. The floor of the pen must be filled with humus and top covered with net to ward off birds and other predators |
| Vibration | Snails' pen should be constructed some distance from main town to avoid vibration and unnecessary noise |

8.1 SWOT Analysis

A SWOT analysis carried out on the project reveals the following :

8.1.1. Strengths.

The following constituted the strengths of the business:

- a. Adequate start-up capital.
- b. Low risks of production.
- c. Availability of high quality breeds of snails.
- d. High demand for snails.
- e. Good market potential.
- f. Best location (area with fresh vegetation).
- g. Best weather condition.
- h. Few competitors.
- l. Availability of space.

- j. Good communication network.
- k. Good road network.
- l. Adequate manpower (skilled and unskilled).

The snail farm will build on these strengths.

8.1.2 Weaknesses.

- a. Payment of taxes (e.g., sales tax, capital gain tax).
- b. Getting licenses and permits.
- c. Registration (e.g., with corporate affairs commission, C.A.C)
- d. Insurance (Certain risks such as fire, export credit and accident will be insured).
- e. Local competitors (e.g., rural dwellers)
- f. Obeying employers' regulation (e.g., granting of sick leave, holidays to workers, settling of disputes).

HighJey snail farm plans to address these weaknesses through hiring of skilled farm hands, acquisition of permits and retaining the services of experts in snail farming.

8.1.3 Opportunities.

- a. Collection of snail breeds is free. Especially during rainy seasons, snails are collected from under stones, damp, leaves and cover crops.
- b. Snail feeding is simple. Snails are vegetarians and as such their feeds are very local, mostly juicy vegetables which are available in the area.
- c. It is easy to maintain. One only needs to change the feeds in the snail's pen once a week to prevent rotting. Their pens are simply covered with nets to them from predators.
- d. As a part-time vocation, it can be successfully run alongside one's actual job or other businesses.

- e. If a grower begins a snail farm with say 50 snails, it can produce averagely up to 250,000 adult snails worth over #500,000 in a year.
- f. The risk of losing snails in the farm is very low compared to other livestock farming.
- g. Rivers State has one of the best climates for snail rearing.
- h. Lastly, snails hardly fall sick, they are hermaphrodites; you don't have to buy food, you don't spent much to create an abode for them, they reproduce rapidly and are very important foreign exchange income earner of our days.

8.1.4. Threats

- a. Present of predators such as insects, birds, lizard, toad, frogs, nematodes, millipedes, ear wigs and fungi.
- b. Human interferences including vibration and unnecessary noise from automobiles and industries within.
- c. Theft.
- d. Pens wetting especially during the dry season.

The other threats confronting the business are systematic and as such, the business shall be insured to overcome unstable government policies and regulations. From the SWOT analysis above, it is crystal clear that the opportunities of the business outweigh the challenges. Hence, the business idea is feasible and can be executed without you running at loss because the financial benefits levelsout the challenges.

8.2 Exit Strategy

No exit is planned, rather diversification will be pursued.

Part ix

Company Financial

9.1 Summary of Project cost.

The total cost of the project is N254, 480. This is made up of 190,480inworking capital and 64,000 in fixed capital.

9.2 Fixed capital investments

HighJey snail farm is a 200 capacity snail farm enterprise at Koro farm garden, Gure town in Bori, Rivers state Nigeria. The table below shows the fixed capital investment required for the project.

Table 7: Fixed capital investments.

| S/N | Detail | Qty | Unit price (N) | Total amount (N) |
|-------|------------------------|------|----------------|------------------|
| 1 | Breed of snail | 300 | 10/breed | 3,000 |
| 2 | Plastic aquarium | 40 | 450 | 18,000 |
| 3 | Manual water sprinkler | 50 | 680 | 34,000 |
| 4 | Sponge or rag | 11 | 150 | 2,100 |
| 5 | Pebble's holes | 55 | 450 | 24,750 |
| 6 | Cactus flower pot | 54 | 700 | 37,800 |
| 7 | Humus rich soil | 85kg | 450/kg | 38,250 |
| 8 | Ashtray or plastic box | 18 | 380 | 6,840 |
| Total | | | | 164,740 |

9.3 Utilities

The snail farm is located in a place that is not connected to water and electricity. As such, water will be supplied to the farm by water supply tanks while hurricane lanterns will be used for a start.

Table 8:Expenses on utilities projected

| Utilities | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-----------|--------|--------|--------|--------|--------|
| Light | 6,000 | 6,500 | 6,800 | 7,000 | 7,300 |
| Water | 6,000 | 6,200 | 6,400 | 6,900 | 7,000 |
| Total | 12,000 | 12,700 | 13,200 | 13,900 | 14,300 |

9.4 Other Expenses

There are other expenses expected to be incurred in the process of running the snail farm.

Table 9:Other operating Expenses.

| Type of expense | Year 1(N) | Year 2(N) | Year 3(N) | Year 4(N) | Year 5(N) |
|-----------------|-----------|-----------|-----------|-----------|-----------|
| Rent | 12,000 | 13,000 | 15,000 | 17,000 | 20,000 |
| License permit | 15,000 | 17,000 | 19,500 | 21,000 | 23,000 |
| Stationary | 420 | 430 | 440 | 460 | 480 |
| Promotion | 18,000 | 19,700 | 21,000 | 22,000 | 24,000 |
| Miscellaneous | 6,000 | 6,700 | 7,200 | 7,900 | 8,200 |
| Total | 51,420 | 56,830 | 63,140 | 68,160 | 76,680 |

9.4 Working Capital Forecast

| Working capital items | Year 0 (N) | Year 1 (N) | Year 2 (N) | Year 3 (N) |
|--|------------|------------|------------|------------|
| Stock of feeds, provision and dressing | 40,000 | 40,000 | 80,000 | 100,000 |
| Provision for utilities and other expenses | 21,140 | 21,140 | 22,000 | 22,000 |
| Salaries/wages | 214,660 | 214,660 | 220,000 | 230,500 |
| Less creditor : 33 days need of stock of feeds | 50,000 | 50,000 | 101,000 | 140,000 |
| Working capital | 190,480 | 200,500 | 300,800 | 400,900 |
| Increase/Decrease in working capital | - | 10,020 | 100,300 | 100,100 |

9.5 Required Start-up Capital

Table 12: Total Start-up Capital Required

| S/N | Capital items | Amount |
|-----|---------------------------------|---------|
| 1 | Machinery, equipment and others | 64,000 |
| 2 | Working capital requirement | 190,480 |
| | Total | 254,480 |

9.6 Financing Plan

To finance the required investment outlay, the proprietor plans to raise the capital of N254, 480 from her savings.

9.7 Depreciation

A refrigerator shall be purchase and use for five years in preserving the processed snail before distributing to customers. The cost price for the refrigerator is N64,000.

Calculation for depreciation:

Depreciation,

= Total cost of buying the refrigerator

Number of years the refrigerator will be used=

N 64000

5Years = N 1280.

Depreciation form

| | |
|-----------------------|----------|
| Bought | 1st year |
| Buying cost | N64, 000 |
| Estimated to be used | 5 years |
| Depreciation per year | |
| 1st year | 12,800 |
| 2nd year | 12,800 |
| 3rd year | 12,800 |
| 4th year | 12,800 |
| 5th year | 12,800 |

9.8 Forecast of Profit and Loss

| Particulars | Year 1 | Year 2 | Year 3 |
|-------------|--------|--------|--------|
|-------------|--------|--------|--------|

| | | | |
|--------------------------|---------|-----------|-----------|
| Expected sales | 564,000 | 1,500,000 | 2,000,000 |
| Less 1% discount | 5,000 | 9,000 | 15,000 |
| Net sales | 559,000 | 1,491,000 | 1,985,000 |
| Expenses | | | |
| Cost of farm Operations. | 164,740 | 198,200 | 200,220 |
| Utilities | 12,000 | 12,700 | 13,200 |
| Other expenses | 51,420 | 56,830 | 65,140 |
| Salaries and wages | 644,000 | 650,000 | 660,000 |
| Total expenses | 872,160 | 927,730 | 936,560 |

9.9 Cash flow projection.

| S/N | | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|-----|-------------------------------|---------|---------|---------|---------|---------|
| 1 | Cash at the start of the year | 190,480 | 150,000 | 132,000 | 100,000 | 200,000 |
| 2 | Cash in form sales | 564,000 | 345,000 | 263,000 | 250,000 | 541,000 |
| 3 | Any other cash in | - | - | - | - | - |
| 4 | Total cash in | 754,480 | 495,000 | 395,000 | 350,000 | 741,000 |

| | | | | | | |
|----|-------------------------------------|---------|---------|---------|---------|---------|
| 5 | Cash out for direct material cost | 164,740 | 102,000 | 100,000 | 98,000 | 110,000 |
| 6 | Cash out for indirect Labour cost | 50,300 | 50,300 | 50,300 | 50,300 | 50,300 |
| 7 | Cash out for indirect cost | 13,500 | 13,500 | 13,500 | 13,500 | 13,500 |
| 8 | Cash out for planned investment eqn | 6,400 | - | - | - | - |
| 9 | Any other cash out | 6,000 | - | 2,000 | - | - |
| 10 | Total cash out | 298,540 | 165,800 | 165,800 | 161,800 | 175,300 |
| 11 | Cash at the end of the year | 455,940 | 329,200 | 229,200 | 188,200 | 565,100 |

10.0 Financial Analysis

The project comes out of the gestation period in 8 months and even by that time, the sales for the month stood at 345,000 and the end of the first year for which there was only 4 months selling activities.

Part X

10.1 Cash Flow Projection.

By the second year of operation when the business has fully matured, the cash flow position is as shown below

| Year 2 | Year 3 | Year 4 | Year 5 |
|---------|---------|---------|---------|
| 329,200 | 229,200 | 188,200 | 565,100 |

11.0 Other Considerations and Conclusion

11.1 Economic justification

From the view point of our study and analysis of the findings made, the project offers good benefits to the promoter, and the economy. Wealth will be created even as jobs are also created. These are consistent with the Federal and States Government policy on entrepreneurship, wealth and job creation.

11.2 Commercial viability

The commercial viability of the project is very clear. The project has been found to be commercially viable, having shown through projections, an impressive sales, profits and cash flow positions.

11.3 Conclusion

Therefore, the project is highly recommended both findings and implementation.

