

**UNIVERSITY OF NIGERIA
NSUKKA**

**FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF POLITICAL SCIENCE**

**A BUSINESS PLAN FOR THE ESTABLISHMENT OF
EXCLUSIVE COCOA FARM;
MORE PLANTATIONS, ABEOKUTA ROAD, IBADAN,
OYO STATE.**

**IN PARTIAL FUFILLMENT OF THE REQUIREMENTS OF
THE COURSE; BUISNESS DEVELOPMENT AND
MANAGEMENT (CEDR 342)**

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NAME OF THE BUSINESS ORGANIZATION: EXCLUSIVE COCOA FARM

1.0 EXECUTIVE SUMMARY

1.1 Background information.

- This is a proposal by Exclusive cocoa farm, for the establishment of a cocoa farm in the heart of More plantation, Abeokuta road, Ibadan, Nigeria.
- This cocoa farm offers affordable sales of cocoa to Abeokuta and its environs, particularly targeting local markets, cocoa retailers, House-holds, and chocolate and cosmetics industries in the area.
- The business requires a start-up capital of N2.8million with about N2.1million as fixed and semi- fixed assets and about N.....million for the first fiscal year.
- The general competitive edge of the cocoa farm is the professional services offered in packaging the products, conveyance to destination and in addition to its strategic position at more plantations main roundabout.
- This cocoa farm aims to be the number one supplier of quality cocoa products to companies and awesome customer rapport, in Ibadan and its environs which shall include other states.
- The business shall be marketed through specified supplies to different markets, industries and occasional international exports.

1.2 VISION STATEMENT:

“To be the most outstanding producer of cocoa both locally and internationally particularly in Africa.”

1.3 MISSION STATEMENT

“To create an inter-relationship of cocoa production and massive supply that is formidable in the town, state, country and globe by God’s own grace.”

1.4 LOCATION INFORMATION AND DESCRIPTION

Exclusive Cocoa farm is located in the ever- growing town of more plantation; Adjacent to the West of the Tunga-Roundabout, Along Abeokuta Road, in a very strategic position, More plantation was chosen for the various reasons;

- ✓ Nearness to FTN cocoa processors plc (cocoa processing Company). This cuts down the cost of transportation and yields discounts to be enjoyed by the cocoa farm in the long- run.
- ✓ Presence of confectionaries e.g Exquisito confectionaries along awolowo ave. and Nourico instant chocolate food drink e.t.c.
- ✓ Presence of cosmetics company in the area like Danax costimetics, Anu- Olohun, Expand Global industries for easy supply of cocoa for cocoa butter.
- ✓ Proximity to bakeries e.g Omoniyi bakery & Bisket bakery all along Ibadan north for constant supply

1.5 PRODUCTS AND SERVICES

PRODUCTS INCLUDE:

- ❖ Cocoa butter for cosmetics products and chocolate
- ❖ Cocoa husk for animal feed
- ❖ Potash from cocoa pod husk for soap manufacture
- ❖ Cocoa bean shells for organic mulch and soil conditioner
- ❖ Cocoa powder for foodstuffs
- ❖ Cocoa pulp juice for soft drink and alcohol
- ❖ Cocoa Liquor for chocolate and confectionaries

SERVICES INCLUDE:

- Cocoa Supply to industries and companies where it is needed.
- Online booking for cocoa products in both small and large quantities for delivery.

1.6 Management objectives

- ❖ Continuous increase in monthly sales for all cocoa products being supplied by the company.

- ❖ To have a chain of 8 Banks, 32 Households and 12 Workplaces at the beck and call of the cocoa farm at the end of one fiscal year, which should increase geometrically at the end of the second fiscal year.
- ❖ To be the number one sort after Cocoa farm at the end of the Second fiscal year, by Residents, markets, companies (both Private and government owned) and confectionaries.

2.0 MARKET ANALYSIS

2.1 Market segment

Cocoa mall oyo state, Banks (Guaranty Trust Bank, Access Bank, Heritage Bank, Fidelity Bank, First City Monument Bank, United African Bank, Union Bank, Unity Bank and First Bank) , Ostrich Bakery, Rasheedat Restaurant, Independent National Electoral Commission (INEC) Headquarters, Chanchaga Local Government Administrative office and National Energy and Integrated- Circuit Office, all Ibadan.

2.2 Marketing plan

Cocoa farms are not much in the location being cited for this business in Ibadan that can really put up much competition. With the laid down plans of even incorporating online bookings.

2.3 Promotion

Exclusive cocoa farm, shall embark on the following Promotional Strategies, whenever there seems to be a drop in product purchase or whenever there is an immediate need to significantly boost sales.

- 5% Trade discount to all patients who purchase cocoa and cocoa products.
- Radio broadcast and advertisements.
- Online placements of adverts including websites and social media accounts.
- Increased cocoa supplies to market segments.

- Review of our products and services through enhanced orientation of staff to offer standard and excellent service delivery.

3.0 **COMPETITOR ANALYSIS**

3.1 SWOT Analysis.

STRENGTHS

- Efficient service delivery with excellent cocoa products.
- The location of the cocoa farm makes it easy to have easy access to its targeted customers.
- Absence of Language barrier as some personnel are Tri-lingual thus can communicate with customers in their own dialect.
- Efficient unrivaled market promotion strategies.
- Cost effective services at highly affordable prices.

WEAKNESS

- Inability to offer 24 hours service to the public.
- The farm has to depend on the services of transport service for effective delivery thereby incurring more costs.
- Tendency of intermittent disagreement among partners in decision making.

OPPORTUNITIES

- ❖ Most cosmetics companies and beverage industries lack constant supply of cocoa products so this will be a great opportunity to be maximized.
- ❖ Cocoa products are in very high demand internationally so occasional exports to international companies will help boost the business.

THREATS

- 1) There is a big challenge to convincing confectionaries and industry to abandon their suppliers.

- 2) Low initial demand.
- 3) Increased competition due to the entry of more cocoa farms.

3.2 EXIT STRATEGY

No exit is planned, rather diversification will be pursued.

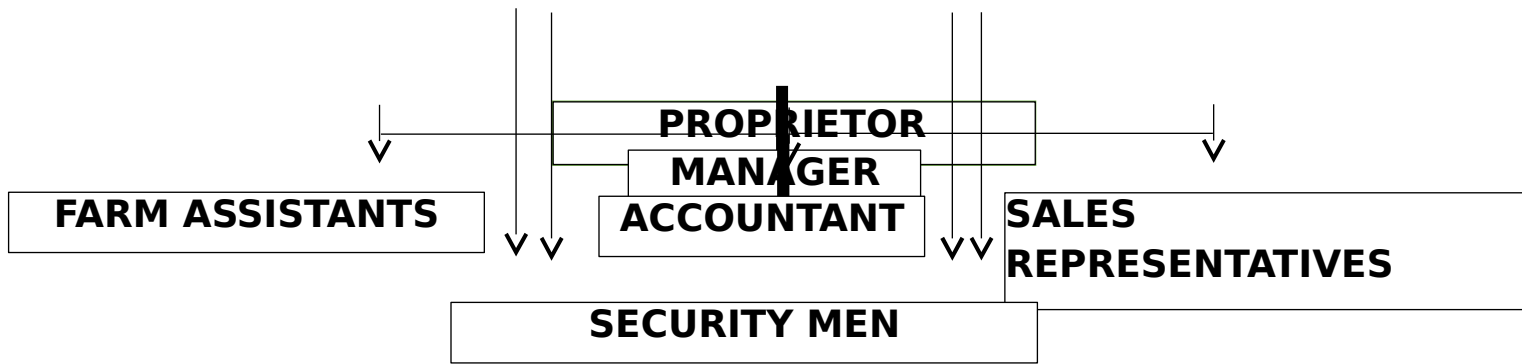
4. LEGAL DOCUMENTATION

- ❖ Exclusive cocoa farm plans to commence commercial operations as a sole proprietorship.

So it's just enough to register the business name with appropriate department at the local government headquarters. No special licenses are required for the operation of this cocoa farm.

5.0 MANAGEMENT

5.1 Organizational structure



6.0 FINANCIAL MANAGEMENT

6.1 Capital requirement

Sole contribution; N876,000

Money requested from CEELOG Health Financing Ventures; N2million

Total Start- up Capital Requirement; N2876000million.

6.2 Start-up cost

FIXED ASSETS

FIXED ASSETS	QUANTITY	UNIT PRICE	AMOUNT(N)
Chainsaws	4	200000	800,000

Grafting tools	1	250000	250,000
Foliar spray	1	50,000	50,000
Agri-chemical spray equipment.	20	1000	20,000
Cocoa processing Machines	1	750000	750,000
Separator CAD	100	1500	150,000
Standard tapping Gouge	100	1600	160,000
Jute bags	20	10,000	200,000
Tapping knife	2	12000	24,000
TOTAL			2,170,000

OPERATING EXPENSES

1. Salaries

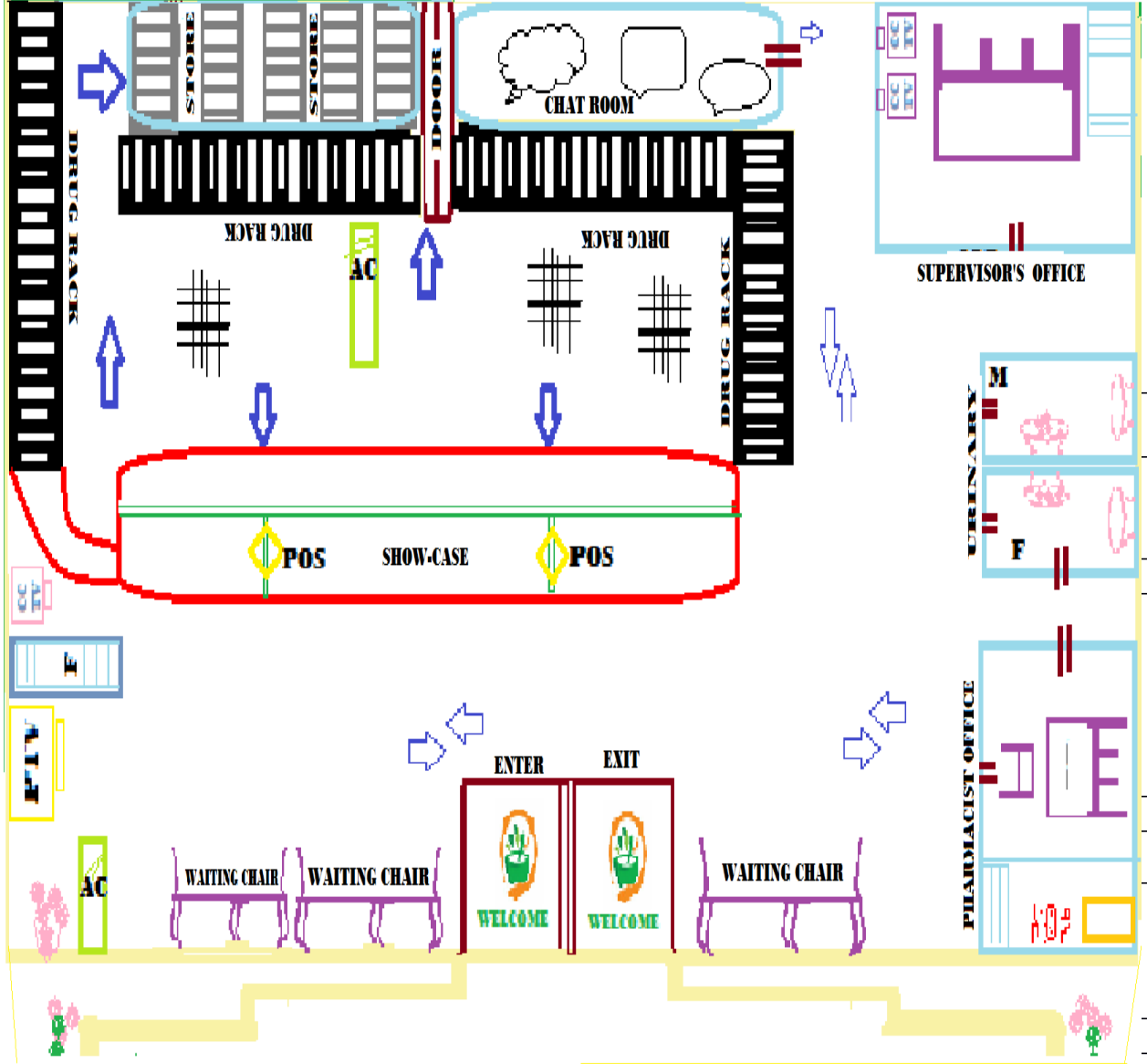
S/N	POSITION	NUMBER OF STAFF	AMOUNT/MONTH (N)	ANNUAL PAYMENT(N)
1	Farm assistants	2	20,000	480,000
2	Security personnel	1	10,000	120,000
3	Accountant	1	20,000	240,000
4	Sales Personnel	4	10,000	480,000
	TOTAL	7	110,000	1,320,000

OTHER EXPENSES

S/N	EXPENSES	YEAR 1	YEAR 2	YEAR 3
1	Public relations	50,000	52500	53600
2	Transport	90,000	94500	99000
3	miscellaneous	30,000	31500	33000
4	Equipment Maintenance	100,000	105000	110000
	TOTAL	270,000	283500	295600

CAPITAL REQUIREMENT TABLE

CAPITAL ITEMS	AMOUNT (N)
Fixed assets	2,170,000
Operational Capital	706,000
TOTAL	2,876,000



Current liabilities	Ceddg				
Loan repayment				810000	1400000
Creditors		139000	139000	213000	218000
Dividend					559000
Total of current liabilities		139000	139000	1023000	2177000
TOTAL LIABILITIES		3015000	2094000	5094000	4843000

5.4.2 Forecast of profit and loss

PARTICULARS	YEAR 1	YEAR 2	YEAR 3
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Expected sales less 1% discount	1780000 19000	5874000 59000	6461000 65000
Net sales	1761000	5815000	6396000
Expenses			
Cost of farm operations	1149000	1897000	1940000
Utilities	75000	77000	78000
Other expenses	270000	284000	296000
Salaries and wages	1046000	1067000	1088000
Total expenses	2540000	3325000	3402000
Profit before int & tax	779000	2490000	2994000
Less interest	74000	161000	50000
Profit before tax	853000	2329000	2944000
Less 10%	Nil	233000	294000
Profit after tax	853000	2096000	2650000
Less depreciation	91000	91000	
Net profit	944000	2005000	2559000
Retained earnings	944000	2005000	2000000
dividend	Nil	Nil	559000

6.3.2 Cash flow projection

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

CASH IN:	YEAR 0	YEAR 1	YEAR 2	YEAR 3
Equity	666000			
Bank loan	2210000			
Net profits		944000	2005000	2559000
Depreciation		91000	91000	91000
Total cash in	2876000	853000	2096000	2650000
CASH OUT				
Equipment & others	2170000			
Working capital	706000			
Increase/decrease in cash		68000	119000	269000
Loan repayment			810000	1400000
Dividend			1167000	559000
Increase/decrease in cash				822000
TOTAL CASH OUT	2876000	853000	2096000	2650000
Opening balance	Nil	Nil	921000	246000
Increase/decrease in cash	Nil	921000	1167000	422000
Closing balance	Nil	921000	246000	668000

YEAR 2	YEAR 3
246000	668000

6.4 PROJECTED BALANCE SHEET

YEAR OF OPERATION	YEAR 1	YEAR 2	YEAR 3
SHAREHOLDERS FUND	255000	2671000	266000

CONCLUSIONS

Exclusive cocoa farm start-up project is highly recommended, both for funding and implementation.