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CENTRE FOR ENTREPRENEURSHIP AND  
DEVELOPMENT RESEARCH**

**A BUSINESS PLAN**

**AN ASSIGNMENT SUBMITTED IN PARTIAL  
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(BUSINESS DEVELOPMENT MANAGEMENT)**

**BY:**

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**REG NO: 2015/201433**

**DEPT: MASS COMMUNICATION**

**LECTURER: DR, T.C, NWAOGA**

**JULY, 2017**

# **PLANTAIN PLANTATION BUSINESS PLAN**

**BY**

**EGBUNE IFECHUKWUDE P**

**REG. NO.:2015/201433**

**DEPT: MASS COMMUNICATION**

# **IFECO PLANTAIN PLANTAION**

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## **1.0 Executive Summary**

### **1.1 Name of business:**

This executive summary and business plan is made by IFECO PLANTAIN PLANTATION to establish a plantain plantation in Delta State

**1.2** The project would require a start-up capital of N 1,350,000, made up of N 600,000 fixed capital and N750,000 working capital

**1.3** The enterprise vision is to be the most outstanding producers of plantain in the South- South region of Nigeria

**1.4** The project will be located at Ubulu-Uku for easy access to target market

**1.5** Many large markets exist for the business to serve like Eke ubulu and others

**1.6** The financial projections show that the business will be financially stable by the time it is mature, the sales figure stands at 3millionfor the first year, 3.5million for the 2<sup>nd</sup> year and the samefor the 3<sup>rd</sup> year respectively so the cash flow is very good and encouraging from the first year.

**1.7** The competitive advantage lies in its ability to produce heavy and healthy bunches of plantain got from the Cameroon hybrid sucker used and in also in its outstanding customer care services.

### **1.8 Profitability measures**

	Year 1	Year 2	Year 3
Turnover	1,442,000	2,048,000	2,059,000
%Return on sale	N/A	39.03	43.24
%Return on equity	N/A	97.0	98.40
%Retune on investment	N/A	72.8	92.14

From the above table, the proposed business is technically feasible, financially viable and economically desirable and offers good investment benefits.

### **1.9 Job opportunities:**

It will create 6 jobs directly.

## **2.0 GENERAL INTRODUCTION**

## **Background**

Plantain belong to the family of permanent crops with scientific name *Musa* spp. It is a perennial crop with diverse cultivars that take the appearance of trees as they mature. It is believed to have originated in Southeast Asia. Plantain is a major staple food in Africa, Plantain are widely cultivated in the southern and middle belt regions, especially Lagos, Ondo, Ogun, Oyo, Oshun, Ekiti, Edo, Delta, Cross River, Akwalbom, Imo, Bayelsa, Abia and Ebonyi they have comparative advantage over others. Commencement of planting start during the rainy season. The domestic uses of plantain include Fried slices (dodo) and plantain chips, the industrial uses are plantain flour/bread, cake/pancake, baby foods, wine, beer, dried flakes, biscuits This business will purchase the Cameroon giant hybrid which is durable and produces heavy bunches faster than the local variety and will commence planting after land preparation and mulching. The heavy bunches produce will give the business a high sale margin since its ins in high demand in the state. There many advantages in plantain farming, first when you buy suckers during raining season, it is always cheaper and easier to transplant and then you won't have to wait 12months to harvest when you buy the hybrid variety and then the beauty of it is that in subsequent years you won't have to buy new suckers as plantain reproduces itself geometrically at most 5 new sucker to one plantain then you can sell your sucker while waiting for harvest time.

### **2.1 Vision Statement**

The enterprise vision is to be the most outstanding producers of plantain in the South- South region of Nigeria

### **2.2 Mission Statement**

To produce heavy bunch plantain using the best quality hybrid variety of suckers and adopting the latest plantain plantation strategy.

### **2.3 Business ownership**



This is a sole proprietorship business wholly owned and managed by EGBUNE IFECHUKWUDE .P

## 2.4 Legal Status

IFECO PLANTAIN PLANTATION is a sole proprietorship business so I will register with the appropriate bodies in the local government council headquarters for now and when it expands all attempts will be made to register with the right authorities.

## 2.5 Product offered

IFECO Plantain farm will provide

- a. Heavy bunches of plantain
- b. Plantain flour

## 2.6 Production Plan

### Investment Costing

S/N	ITEMS	STAG ES	Year1	Year2	Year3	Amount
1.	Cost acquiring land 2acre (75,000)each	1	2acres			N150,000
2.	Cost of using manual labour for land preparation	2	5,000	-	-	5,000
3.	Cost of buying plantain sucker ( N200)each	3	2000	-	-	N400,000
4.	Cost of planting	4	Worker s	-	-	
5	Cost of buying and applying fertilizer and water	5	-	3,000	5,000	8,000
6.	Cost weeding	6	10,000	8,000	6,000	N24,000
7	Other	7	50,000	40,000	38,000	128,000
	Grand total					715,000

## 2.7 Business strategy

To ensure we remain in business, we would always use cheap price, quality service and good customer relations as our business strategy to attract and keep our customers.

## 2.8 Key success factors

- a. The use of improved variety of plantain sucker (Cameroon Giant hybrid)

- b. The cross breed of local variety for durability and hybrid variety for high yield.
- c. Existence of reliable market

### **2.9 Inherent risk factor**

- a. The probability that implementation of the business may attract many new competitors
- b. The perishable nature of plantain

## **3.0 Market**

### **3.1 Nature and Size**

IFECO PLANTIAN PLANTATION is a sole proprietorship business and in a start-up stage (small size) but will expand as time goes on.

### **3.2. Availability of Market**

The business is sited close to the state capital Asaba which has a big market that entertain people from far and near, there are local markets like afor Ogwashi Eke Ubulu who are known for their natural fruit with best taste and then there is the big Onitsha market with over 200,000 people who come just to buy food crops like plantain including foreigners.

### **3.3 Localization factor**

The plantation farm is located in Ubulu-Uku and what inform this choice include:

1. its nearness to international market Onitsha
2. availability of rich soil for plantain production in Delta state
3. existence of good road network for easy transportation
4. availability of cheap and reliable labour.

### **3.4 Sales and market share analysis**

The market has the potential of offering the opportunity to sell matured plantain of about 3000 bunch per year and for now we can control 15 to 30% of the market.

### 3.5 Profile of Competitors

COMPETITORS	PRODUCTS/SERVICES	COMPANY SIZE	TURNOVER	ADVANTAGES	DISADVANTAGES
Ugochi Plantain Nigeria Ltd.	Mainly local plantain and banana	Employs over 12 workers.	Over N3million yearly	Have been long in the business.	Not located in an easily accessible place, and sales product costly.
Sunny bright plantation farm and chips factory	Plantain and chips	Employs about 10 workers.	Makes over N2million as turnover yearly.	Have competent personnel.	Just started in the business.

### 3.6 Service Delivery

The business will employ sales persons who will be available on site to sell to customer both in the market, in the farm and also at their various homes if the need arises without extra charge.

### 3.7 Quality Assurance

Our customers are assured of very high quality product because we will be delivering the best quality and hybrid heavy bunch plantain always.

### 3.8 Demand and supply analysis and Estimating the initial installed capacity

Details	Size (numbers)
Potential demand to be served	<b>30,000</b>
Less 30% existing competitors	<b>21,000</b>
<b>Available market (in the absence of expansion and very high entry wall)</b>	<b>120,000</b>
Less 10% due to possible expansion of existing competitors and entrant of new ones.	<b>108,000</b>
<b>Available market</b>	<b>300,000</b>
Less 5% due to error in estimation	<b>285,000</b>
<b>Available demand/qualified market/ demand supply gap</b>	<b>126,800</b>
<b>Initial installed capacity cat most 60% of available demand (served market)</b>	

### **3.9 Technology**

There are two types of suckers in Nigeria, the local variety and the improved variety sucker. The local variety sucker takes about two years to mature from planting to harvest while the improved variety takes one year. The local variety generally has lower yield and more disease-prone, while the improved variety has higher yields in terms of fingers per bunch, size of the fingers and the sweetness of the fruits. The improved variety brings faster returns on investment than the local variety sucker and this industry will always use the improved variety.

### **3.10 Competitive Advantages**

IFECO Plantain Plantation enjoys some measures of competitive advantages which are:

The location of the business is very strategic hence gives great advantage over our competitors since its nearness to the market and to local consumers gives them quick access to the product than others who have to travel a longer distance to the market. The cheaper price we present to our customers is also an added advantage and our good customer relations is also an added advantage.

## **4.0 Marketing Plan**

### **4.1 Market segmentation**

Plantain plantation farming belongs to the agricultural segment of the economy and the location of the business was done in relation to the market demand of plantain, a place where the soil is rice and production could be cheap.

#### **4.2 Marketing mix implementation and Promotional tools**

From time to time we would announce our services on the radio, promote it through the internet, and carry out periodic sales promotion.

#### **4.3 Channel of distribution**

Customers will deal directly with us.

#### **4.4 Start-up promotion**

For start-up promotion, we would print banners and posters and do a give-away price for first few buyers

#### **4.5 Alliances**

The alliance the business would enjoy from friends and customers would help us enjoy increase in our customer base.

#### **4.6 Marketing calendar and Budget**

For every six months we would print notebooks that is customized, banners and posters. All will cost us N20,000 per year.

#### **4.7 Marketing Plan Price**

Consumers are willing to pay highest N 1,500, average of N1,200 and lowest of N1,000 for every matured plantain.

Our competitor's prices ranges from highest of N1,800 an average of N1,500 and the lowest of N1,200.

The price we charge per matured pig is N1,000 and this gives us advantage over our competitors because they charge higher than what we are charging. So, we would be able to command great patronage because of our price.

#### **4.8 Market positioning strategy**

The firm has not gained more ground in the market. So with good advert and price, we seek to gain more position in the near future.

#### **4.9 description of the edge of service**

	Service		
Denominatio n	Matured plantain	heavy	bunch

#### 4.10 SWOT Analysis

STRENGTHS	WEAKNESSES
<p>The great experiences of our workers are a plus to us.</p> <p>The ability to increase our services in order to meet demand.</p> <p>The location of our company which makes it easy to be accessed.</p> <p>Our cheaper price is also an edge over our competitors.</p> <p>Prior experience in plantation farming.</p>	<p>The location of the business which makes us to pay much tax.</p>
OPPORTUNITIES	THREATS
<p>Ability to expand to great limit, since so many people in the Southern part of Nigeria enjoy plantain</p>	<p>Robbers may get to the farm.</p> <p>Disease outbreak in the farm.</p> <p>Fluctuating prices of fuel that might increase cost of operation.</p>

## 5.0 Organization and Management

### 5.1 The Project technical analysis

Plantain is a healthy and medicinal plant, it has adequate levels of minerals such as iron, magnesium, and phosphorous. Magnesium is essential for bone strengthening and also a reliable source of energy. Plantain is grown by sucker (strong and high quality variety) planting starts by the beginning of raining season and commences immediately after land preparation. The soil for planting should be well drained but not too much and fertilizer should be added from time to time alongside water during dry season. The hybrid variety of sucker matures 9months from the time of planting. Also, due to the heavy bunches produced by this variety pruning is advisable to help

the plantain stem stand the weight and finally wind breakers like orange plants and other heavy trees should be planted around the plantation to protect the plans from strong wind and constant maintenance should be the business watch words.

## 5.2 Production Process

Land is acquired and prepared (mulched with all stumps removed), plantain suckers are purchased and once it is raining season they are planted with 2-5m space to allow for air, fertilizer is added, and weeding is done every 2months the at 9months harvest time.

## 5.3 Management and Organizational structure

The entrepreneur and owner of IFECO Plantain plantation and the one holds all the share of the company is EGBUNE IFECHUKWUDE .P

Our financial adviser is Austin C Financial Advisor Nig Ltd, 17 Nnebisiroad Asaba Enugu, email [augstincyuk@gmail.com](mailto:augstincyuk@gmail.com) telephone number: 08033 457739

Our legal adviser is chidex solicitors, Email [chidexv6@yahoo.com](mailto:chidexv6@yahoo.com) 07okpanamamRoad, Asaba, Delta State. 08166764659

## 5.4 Management team

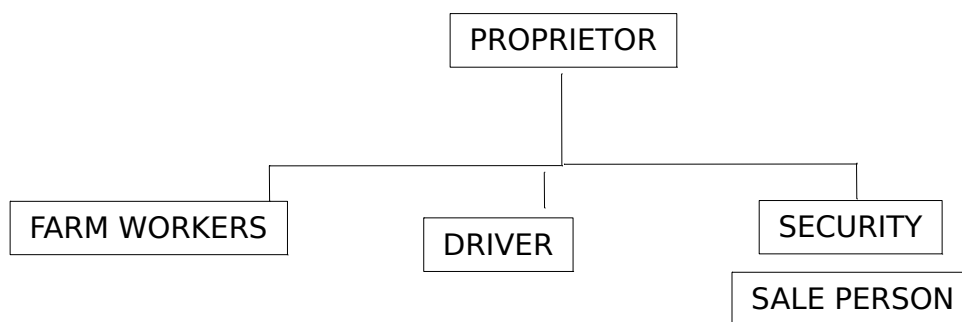
DESIGNATION	QUALIFICATION	YEARS OF EXPERIENCE	DUTIES
PROPRIETOR	ND in Mass communication	4years' experience as manager at Royal choicePrinting Press Benin.	Overseas the day to day operation of the business.
FARM WORKERS	OND and WAEC..	Have experience in plantain farming.	Weed the farm, apply water fertilizer and care for the plants.
DRIVER	WAEC	3 to 5 years' experience at different companies	Driving and maintenance of trucks.
SECURITY	WAEC	long experience.	Safe guards farm

			and store house.
SALE PERSON	WAEC	little experience.	To sale our products

### 5.5 Our future management needs.

The company would currently employ 6 persons, and would increase its number of staff to over 12 persons and their salaries as well after some time of operation.

### 5.6 Organizational structure



### 5.7 The personnel plan

S/N	POSITION	NO. OF STAFF	Salary per staff per month	Total salary per staff
1.	proprietor	1	N25,000	N300,000
2.	Farm workers	2	N10,000(2)	N240,000
3.	Driver	1	N10,000	N120,000
4.	Sales person	1	N10,000	N120,000
5.	Security	1	N10,000	N120,000
	Grand total	6		900,000

### 5.8 Organization's values and norms

Integrity, faithfulness, truth and diligence.

### 6.0 Legal, regulatory, social, and environmental issues

#### 6.1 Legal Issues

There are no legal issues for now, the business is being registered under local government council.



## 6.2 Environmental issues

The Plantain plantation farm does not pose any environmental hazard.

## 6.3 Social

The implementation of the project will bring about social and economic benefits for the society in the following ways

1. it will create job opportunities for many unemployed persons
2. it will bring about wealth creation and poverty reduction

## 6.4 Regulatory

The plantation farm will comply with all environmental regulations as well as all relevant industry safety regulatory requirements

## 7.0 Financials Plans

### 7.1 Summary of project cost

The total cost of the project is N1,350,000 this is made up of N600,000 fixed capital and N900,000 working capital.

### 7.2 Fixed capital Investment

IFECO Plantain Plantation is located at Ubulu-uku, Aniocha South LGA, Delta State.in a 2 plot, the site is accessible all year round due to good road network

#### Fix capital investment table

S/N	INVESTMENT	QTY	UNIT COST (N)	TOTAL COST (N)
1.	Land	2 acres	75,000each	150,000
2.	Water tanks	1	13,000	13,000
3.	Shovels	5	1000	1000
4	Cutlasses	5	1000	1000
6	Delivery van	1	35,000	35,000
6	sucker	2000	200	400,000
	<b>TOTAL INVESTMENT</b>			<b>N600,000</b>

### 7.3 Utilities

During dry season water maybe in short supply so there is need to provide

S/N	Utility	Yea1	Year2	Year3
1.	Water	800	9,00	9,00
	supply	0	0	0

#### 7.4 Other Expenses

S/N	INVESTMENT	Year1	Year2	Year3
1.	Vehicle	10,000	15,000	10,000
	maintenances			
2.	Adverts	20,000	10,000	8,000
3.	Miscellaneous	20,000	15,000	20,000
	<b>TOTAL</b>	<b>N50,00</b>	<b>N40,00</b>	<b>N38,00</b>
	<b>INVESTMENT</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### 7.5 Working Capital Projection

#### 7.6 Start Up Capital Needed

S/N	ITEM OF EXPENDITURE	Year1	Year2	Year3
1.	Land preparation	5,000	3,000	3,000
2	Salaries	697,00	697,00	697,00
		0	0	0
3.	Fertilizer	Nil	3,000	5,000
4.	Weeding	10,000	10,000	10,000
5	Utilities and others	38,000	44,000	45,000
	<b>TOTAL</b>	750,00	757,00	760,00
		0	0	0

#### 7.7 Total investment required

The total amount required for investment outlay

S/N	Capital items	Amount
1	Fixed capital	N600,000
2	Working capital	N900,000
	<b>TOTAL</b>	<b>N1,350,000</b>

#### 7.9 Financing Plan

To finance the required investment outlay, the proprietor plans to raise and equity capital of N450,000 while got financial aid from family and friends of N900,000

S/N	SOURCES OF FUND	AMOUNT (N)
1.	Owners capital	450,000
2.	Grant	900,000
	<b>TOTAL</b>	1,350,000

### 7.10 Interest and repayment

There will be no interest repayment since no debt was incurred (no borrowed money).

### 7.11 Schedule of Depreciation and Appreciation

S/N	Item of depreciation	Initial value	Scrap value	Life span	Depreciation	Appreciation
1.	Sucker	2,000	_____	50 years	_____	8,000
3.	Water tank	13,000	12,000	3 years	1,000	_____
5.	Van	35,000	33,000	3 years	2,000	_____
					N3,000	N8,000

### 7.12 Forecast profit and loss

<b>PARTICULARS</b>	<b>Year1 Amount (N)</b>	<b>Year2 Amount (N)</b>	<b>Year3 Amount (N)</b>
Expected Sales	3,000,000	3,000,000	3,000,000
Others	-----		
i. Appreciation		8,000	16,000
ii Depreciation		3,000	4,000
Net sales	3,000,000	3,005,000	3,012,000
Expenses:			
Salaries	900,000	900,000	900,000
	600,000	8,000	6,000
Cost of farm operations	8,000	9,000	9,000
Utility	50,000	40,000	38,000
Others			
Total expenses	1,558,000	957,000	953,000
Profit after tax	1,442,000	2,048,000	2,059,000
Net profit	1,442,000	2,048,000	2,059,000

Note that the little gain in the first year is occasioned by the fact business was just starting and much expenses were to be made but in subsequent years' expenses will reduce and there will be more sales as plantain sucker continue to appreciate in geometric progression.

### 7.13 Cash flow Projection

CASH FLOW	Year1(N)	Year 2(N)	Year3(N)
<b>CASH IN:</b>			
EQUITY	450,000		
GRANTS	900,000		
NET PROFIT	1,442,00	2,048,00	2,059,00
	0	0	0
<b>TOTAL CASH IN</b>	92,000	1,655,00	1,662,00
		0	0
<b>CASH OUT:</b>			
Salaries	900,000	900,000	900,000
Cost of farm operations	600,000	8,000	6,000
	8,000	9,000	9,000
	50,000	40,000	38,000
Utility			
Others			
<b>TOTAL CASH OUT:</b>	1,558,00	957,000	953,000
	0		

## 8.0 Risk Analysis, Contingency Plan and Exit Strategy

### 8.1 Risks Analysis and Mitigants

S/N	RISKS	MITIGANTS
1.	Bad debts	To curtail the effect of losing money as a result of debt, we have resolved not to sell our products on credit.
2.	Theft	To tackle the issue of theft, we have made provision for maximum security of our properties, and also employed security personnel.
3.	Accident	To checkmate the incidence of accident, we have made adequate

		provision for safety and would implement all preventive measures.
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## **8.2 Contingency Plan**

To tackle negative events that may happen unexpectedly and affect the smooth operation of the business, we have agreed to invest in insurance as the business grows so as to cater for unforeseen circumstances that may occur.

## **8.3 Exit Strategy**

In the case where the business is experiencing steady loss, the exit strategy to employ may include; bringing in new investors or selling the business off.

## **9.0 Other Consideration, Conclusion and Recommendation**

### **9.1 Economics Justification**

The benefits that are attached to the business make it of paramount importance. It will provide jobs to people, serve as a source of income, serve the need of the entire populace, and serve the good of the community where it is located.

### **9.2 Commercial Viability**

Looking at the cash flow projection, the business would be able to generate N1, 442, 000, N2, 048,000 and N2, 059, 000, as profits after 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> year of production. Thus, we are very optimistic that the business is a very commercially viable one.

### **9.3 Conclusion/Recommendation**

Based on the above information supplied about our planned pig farming business, we greatly believe that the business would grow and expand greatly within the next five (5) years of production, thus, we recommend that the business be sponsored.

