

***SOW THE SEEDS OF SUCCESS: A***  
**STEP-BY-STEP GUIDE TO**  
**CREATING SUCCESSFUL**  
**AGRIBUSINESS PLANS FOR**  
**NIGERIAN TERTIARY STUDENTS**  
**AND YOUTH**



***SOW THE SEEDS OF SUCCESS: A STEP-BY-STEP GUIDE TO  
CREATING SUCCESSFUL AGRIBUSINESS PLANS FOR  
NIGERIAN TERTIARY STUDENTS AND YOUTH***

**By**

**A M Kabir (PhD)**

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## PREFACE

Nigeria's agricultural sector holds immense promise for economic growth, food security, and youth empowerment. Today, more than ever, agribusiness offers a diverse array of opportunities beyond traditional farming, merging innovation with sustainable practices. This book, *Sow the Seeds of Success: A Step-by-Step Guide to Creating Successful Agribusiness Plans for Nigerian Tertiary Students and Youth*, is crafted to empower young Nigerians, particularly tertiary-level students, with the knowledge and practical skills to succeed in agribusiness.

This book is structured in two parts to offer both foundational knowledge and a practical example. **Part One** serves as a comprehensive guide to crafting an agribusiness plan, covering all key areas—from defining your business concept and conducting market analysis to budgeting, financial planning, and risk management. It's designed to equip you with the essential steps needed to develop a sustainable agribusiness venture that meets market demands.

**Part Two** features the business plan of *UDUS Rice Mill Limited*, an agribusiness project conceptualized by the Agribusiness Class of the 2021/2022 Academic Session at the Faculty of Agriculture, Usmanu Danfodiyo University, Sokoto (UDUS). This business plan serves as a practical case study, illustrating how a well-thought-out plan can move from the classroom to reality. UDUS Rice Mill Limited now stands as a successful enterprise, offering a model for future agripreneurs to learn from and emulate. The students' achievement showcases the potential within Nigeria's youth to not only conceive but also implement impactful agricultural ventures.

This book is a resource for students, recent graduates, and aspiring young agripreneurs ready to make their mark in

agribusiness. By combining detailed planning guidance with real-world application, *Sow the Seeds of Success* aims to inspire and enable you to turn your agribusiness ideas into reality.

As you dive into this guide, may it provide you with the strategies, inspiration, and confidence to build a meaningful and successful agribusiness that contributes to Nigeria's growth and prosperity.

## DEDICATION

This book is dedicated to the brilliant students of my Agribusiness classes over the years. Your enthusiasm, hard work, and innovative ideas have not only inspired this book but have also shown the transformative potential of youth in agribusiness. You have been instrumental in shaping this guide, and I am deeply grateful for the insights, questions, and energy you bring to our shared mission.

I would also like to extend heartfelt appreciation to the dedicated staff of the Department of Agricultural Economics at Usmanu Danfodiyo University, Sokoto (UDUS). Your commitment to academic excellence and hands-on learning has laid a strong foundation for our students' success.

To Professor A. D. Isah, Dean of the Faculty of Agriculture, I owe a special gratitude. Your leadership and unwavering support have advanced the Agribusiness program beyond theoretical teaching, fostering a practical, experiential approach that prepares our students to become true agripreneurs.

Finally, I wish to express my sincere gratitude to Professor L. S. Bilbis, Vice-Chancellor of UDUS. Your vision and commitment to making Agribusiness an impactful part of our University's offerings have paved the way for this course to become a beacon of applied learning in agriculture.

This book stands as a testament to the dedication of all who strive to make agribusiness education a transformative experience for young Nigerians. Thank you for your support, encouragement, and belief in this journey.

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# CHAPTER ONE

## UNDERSTANDING AGRIBUSINESS

---

### Definition and Scope of Agribusiness

Agribusiness encompasses all the economic activities involved in the production, distribution, and consumption of agricultural products. It extends beyond traditional farming to include various operations such as agricultural input supply, production and processing, distribution, marketing, and retailing of agricultural goods. The scope of agribusiness is broad, involving not just the cultivation of crops and livestock but also:

- **Input Supply:** The provision of seeds, fertilizers, pesticides, machinery, and other resources necessary for farmers.
- **Production:** The actual practice of cultivating crops and raising livestock, including farm management and agricultural practices.
- **Processing:** The transformation of raw agricultural products into consumables or value-added products. For example, milling grains, canning vegetables, or processing dairy products.
- **Distribution and Marketing:** The logistics of getting agricultural products from farms to consumers, including transportation and the channels used for marketing.
- **Retailing:** The sale of agricultural products directly to consumers, whether through markets, supermarkets, or online platforms.

- **Other Sectors:** These encompasses research and development, extension services, finance, and policy advocacy, among others.

## The Role of Agribusiness in Nigeria's Economy

Agribusiness is a vital sector in Nigeria, contributing significantly to the country's economic landscape in several ways:

1. **Economic Contribution:** In the year 2023 Agribusiness accounts for 21% of Nigeria's Gross Domestic Product (GDP). Also, in the same year, Nigeria's agriculture sector remains the country's largest employer with over 25 million individuals engaged in agribusiness activities representing 30.1% of the total workforce. The sector also generates significant foreign exchange earnings. In 2023, the agricultural sector accounted for 21.87 percent of total non-oil exports, amounting to \$4.5 billion. Among the top agricultural exports were cocoa beans, sesame seeds, cashews, and several others
2. **Food Security:** Agribusiness plays a crucial role in enhancing food security by fostering the production of food crops, reducing dependency on imports, and contributing to the nation's self-sufficiency. The agricultural sector helps ensure a stable food supply and lowers food prices for consumers.
3. **Rural Development:** By engaging in agribusiness, many rural communities can enhance their standards of living through job creation, income generation, and infrastructure development. The sector serves as a catalyst for rural development, stimulating entrepreneurship and local economic growth.

4. **Innovation and Technology:** The agribusiness sector is a driver of innovation and the adoption of modern agricultural technologies. This leads to improved productivity, sustainable farming practices, and the use of better inputs, contributing to the overall growth of the sector.
5. **Response to Climate Change:** Agribusiness has a role in addressing climate change through sustainable farming practices that improve resilience while reducing environmental impact. This can include implementing eco-friendly techniques, promoting agroforestry, and enhancing soil health and water management.

### **Reasons for Engaging in Agribusiness in Nigeria**

Presently, agriculture is the biggest business opportunity in Nigeria. The main reasons are:

- a) **Abundant and Cheap Agricultural Land:** Some estimates put Nigeria's agricultural land at 76,200,000 hectares out of which only about 48% is cultivated. Most of this agricultural land lies in areas that are favorable to crop and livestock production all year round. Also, since a large proportion of Nigeria's agricultural land is located in the rural areas, it is often cheap to buy or lease.
- b) **Ready Market and High Demand for Agricultural Produce:** Agribusiness is one of the best business opportunities in the world because food never goes out of fashion. With an estimated population of about 200 million and projected to be 450 million by 2050, demand for food in Nigeria will remain high. Also, Nigeria's agricultural imports are growing, with estimates ranging from \$10 to \$22 billion annually. As such there is a huge

opportunity for Agripreneurs who can provide cheaper and locally-grown alternatives to the food imports. Also, several manufacturing and processing industries depend on agribusiness for a wide range of raw materials.

- c) **Improved Varieties and Farm Practices:** Due to advances in crop/animal science and technology, it is now possible to harvest more food per hectare than ever before. There are now improved crop and animal varieties that mature earlier, require less resources, and are less susceptible to pest attacks, diseases and drought. Thereby making agribusiness less risky and more profitable.
- d) **Government Emphasis on Agriculture:** The current emphasis by both the Federal and State governments (with support from NGOs and multilateral agencies) on becoming self-reliant in agriculture means that there are various support mechanisms (subsidies, loans etc,) that Agripreneurs can easily access. .
- e) **Very Scalable.** Agribusiness is one of few business opportunities that allow one to start on any scale, with whatever you have! You can start where you are and use what you have, and grow from there.
- f) **Can be combined with other Jobs:** Most importantly, you can combine your agribusiness with your day job until such a time when you are ready to go fulltime. It's very flexible that way! Noteworthy is the fact, in Nigeria, agriculture is one of the few vocations that you can *legally* combine with your civil-service career

## **Opportunities for Young Entrepreneurs in Agribusiness**

Nigeria's agricultural sector has gaps across its value chain, creating numerous business opportunities. By identifying and addressing these gaps, young agripreneurs can build profitable ventures while supporting the overall development of the sector. Some key opportunities include:

### **1. Processing and Value Addition:**

- A significant percentage of Nigeria's agricultural products are exported in raw form, leading to missed revenue from value-added products. Young entrepreneurs can start businesses that process local crops into finished goods, such as cassava into flour, tomatoes into paste, or cocoa into chocolate.
- Processing extends the shelf life of products, improves food security, and increases the overall economic value.

### **2. Packaging and Branding:**

- Nigerian agricultural products often lack proper packaging and branding, which limits their appeal in both local and export markets. With better packaging solutions, agripreneurs can add value to basic produce, making it more attractive and accessible to consumers.
- Sustainable and attractive packaging can open doors to premium markets, both domestically and internationally.

### **3. Logistics and Distribution:**

- Poor infrastructure and limited logistics services make it challenging for farmers to transport goods to markets. Young entrepreneurs can invest in logistics services tailored to agriculture, such as refrigerated trucks, cold storage, or efficient distribution channels.
- Innovative logistics solutions help reduce post-harvest losses, improve product quality, and increase farmer incomes.

#### **4. Marketing and Digital Platforms:**

- Connecting producers directly with consumers or buyers remains a challenge in Nigeria. Digital platforms that link farmers to markets can streamline sales and reduce reliance on middlemen.
- By developing e-commerce sites, mobile apps, or SMS-based platforms, young entrepreneurs can simplify the marketing process and help farmers gain better access to fair prices.

#### **5. Farm Support Services:**

- There is a need for services that support farm productivity, such as soil testing, pest control, organic fertilizer production, and irrigation systems. Entrepreneurs can set up businesses that provide these essential services to local farmers.

- By offering targeted support services, agripreneurs can contribute to increasing farm yields and sustainability.

## CHAPTER TWO

### BUSINESS PLANING AND AGRIBUSINESS PLANS

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#### **Definition and Purpose of Business Planning**

Business planning is the systematic process of envisioning, outlining, and implementing business strategies to achieve specific goals and objectives. Its primary purpose is to create a roadmap for success, guiding entrepreneurs, small business owners, and organizations in making informed decisions, allocating resources efficiently, and navigating the ever-changing business landscape. A business plan serves as a formal statement of business goals and the methods to achieve them. It is a critical tool for communication with stakeholders, including investors, partners, and employees. A business plan is essential for any entrepreneur seeking to establish a successful venture. It serves as a roadmap that guides your business objectives and outlines the strategies needed to achieve them. In Nigeria, a solid business plan can also be a prerequisite for securing financing from banks and investors.

In an increasingly competitive and dynamic business environment, a well-crafted business plan is no longer a luxury but a necessity. Whether you are an aspiring entrepreneur looking to start a new venture or a seasoned business owner seeking to refine your operations and strategy, a comprehensive business plan serves as the foundational blueprint for success.

#### **Agribusiness Plan and Purpose**

In the context of agriculture, an agribusiness plan is a strategic document designed to guide an agricultural enterprise from

concept to reality. Similar to any business plan, it outlines the vision, mission, objectives, target markets, operations, financial projections, and strategies for growth. However, an agribusiness plan also has unique elements tailored to the agricultural sector, such as crop cycles, seasonal labor needs, equipment, and supply chain specifics. For students, particularly in Nigeria and other parts of Africa, agribusiness planning offers a framework to transform ideas into viable agricultural ventures.

Creating a comprehensive agribusiness plan is key to launching a successful venture in Nigeria's agricultural sector. For Nigerian youth, especially those entering agribusiness for the first time, this involves five essential steps:

- a) **Define the Goals and Scope of the Agribusiness:** Establishing clear goals gives direction and focus to the business. Goals could range from providing affordable organic produce to local communities to creating job opportunities through poultry farming. For instance, a young entrepreneur may set a goal to supply high-quality tomatoes to markets in Lagos, helping reduce dependence on imports.
- b) **Identify Potential Markets and Customers:** Understanding target markets are crucial for profitability. Potential markets may include local consumers, food processing companies, or retailers. For example, a rice farmer in Kebbi could target customers in nearby urban areas where demand is high and logistics are manageable. Engaging in market research helps identify what products are in demand, such as organic produce or specific livestock breeds.
- c) **Outline Steps for Production, Operations, and Distribution:** A structured approach to operations ensures efficiency. Nigerian youth could outline steps for production

(such as planting schedules or breeding plans), plan operational resources (equipment, labor), and arrange distribution channels. A fish farmer might start by arranging steady fingerling supplies, then planning production in phases to meet year-round demand, and finally distributing through local markets or even export pathways.

- d) **Provide Financial Forecasts to Secure Funding and Guide Decisions:** Financial forecasts, such as income projections and cash flow analyses, provide an overview of profitability and can be essential for securing funding. Youth in agribusiness can create realistic projections based on expected yields, market prices, and operational costs. For example, to obtain a loan from the Bank of Agriculture, a poultry farmer might present forecasts showing expected profits from egg sales based on demand in urban markets.
- e) **Assess and Mitigate Risks:** Risks in agriculture, such as climate change, pest infestations, or price volatility, require proactive strategies. For instance, crop farmers could mitigate climate risk by choosing drought-resistant seeds, while poultry farmers might invest in biosecurity measures against disease outbreaks. Identifying these risks early and planning solutions helps safeguard the business.

An effective agribusiness plan gives investors and stakeholders' confidence in the entrepreneur's capacity to build a profitable and sustainable agricultural enterprise.

## CHAPTER THREE

### ELEMENTS OF AGRIBUSINESS PLAN

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Creating a comprehensive agribusiness plan is essential for building a sustainable enterprise in Nigeria’s agricultural sector. An agribusiness plan provides clarity on the business’s goals, structure, market, operations, and financials. Here’s a detailed breakdown of the elements of an agribusiness plan, aligned with the Nigerian context:

#### **Cover Page**

The cover page of an agribusiness plan is crucial as it creates the first impression, establishing a professional tone and drawing attention to the document’s purpose. It provides essential details such as the agribusiness name, logo (if available), business location, contact information, and the date of submission. Additionally, the cover page may include a tagline or brief description that highlights the business’s focus, like “Empowering Local Communities with Organic Poultry Farming.”

For Nigerian youth, a well-designed cover page is particularly valuable when seeking funding from financial institutions like the Bank of Agriculture or presenting to potential investors. It conveys seriousness, readiness, and professionalism, helping to build credibility and set the stage for a comprehensive business plan.

#### **Table of Content**

The **Table of Contents** (TOC) in an agribusiness plan is essential for guiding readers through the document and improving its

overall accessibility. It provides an organized list of sections and subsections, allowing potential investors, financial institutions, or partners to easily locate information they're interested in, such as the financial plan, marketing strategy, or risk assessment.

For Nigerian youth presenting their agribusiness plan to banks or grant providers, a clear TOC demonstrates professionalism and attention to detail, enhancing readability and showing respect for the reader's time. It also helps keep the plan structured and easy to reference during discussions or presentations, contributing to a smooth review process.

## **Executive Summary**

The executive summary is a brief overview of the entire agribusiness plan. It provides a snapshot of the business idea, covering key points like the business's objectives, products or services offered, target market, and competitive advantage.

- **Agribusiness Idea:** For example, if you plan to start a cassava processing enterprise in Ogun State, the executive summary should highlight why cassava processing is viable in the area, potential markets, and the projected growth of cassava products, such as garri or starch.
- **Objectives:** Outline short-term and long-term objectives, such as generating a certain revenue within the first year or expanding the farm to include additional crops after five years.
- **Competitive Advantage:** If your agribusiness offers unique products, such as organic or sustainably produced

food, emphasize this in the executive summary to distinguish it from competitors.

## **Business Description**

The business description defines your agribusiness, including its mission, vision, and goals.

- **Mission:** This defines the purpose of the business. For example, “To provide high-quality and affordable organic vegetables to the Lagos metropolitan area while empowering local farmers.”
- **Vision:** A future-oriented statement, such as, “To become a leading supplier of organic produce in Southwest Nigeria.”
- **Goals:** These should be specific, measurable, and time-bound. For instance, “To expand vegetable production by 20% annually over the next three years.”

## **Agricultural Market Research and Analysis**

Understanding the agricultural market is critical. It involves knowing who your customers are, which crops or livestock are in demand, and evaluating competitors.

- **Target Customers:** In Nigeria, agribusinesses might target urban households, restaurants, supermarkets, or even government food programs. For instance, a poultry business could target urban centers like Abuja and Lagos where demand for poultry meat is high.
- **Demand:** Analyzing demand trends for specific products—such as maize, tomatoes, or poultry eggs—helps in determining what to produce. For example,

Nigeria has a strong demand for rice, creating opportunities for rice farming and processing ventures.

- **Competitor Analysis:** Identify competitors and assess their strengths and weaknesses. For instance, if there are large-scale tomato farms in Kano State, a tomato business could consider niche markets, such as organic or vine-ripened tomatoes.

## Organizational Structure

Defining roles within the agribusiness helps in organizing operations effectively. Key roles in agribusiness often include farm workers, supply chain managers, and sales representatives.

- **Farm Workers:** Responsible for tasks like planting, watering, and harvesting crops or managing livestock.
- **Supply Chain Manager:** Manages sourcing inputs like seeds, fertilizers, and machinery, ensuring they are available when needed.
- **Sales and Marketing:** Handles customer relations and marketing. For instance, a marketing officer for a palm oil business might focus on connecting with distributors across Nigeria.

## Product or Service Line

This section details the products or services your agribusiness will offer.

- **Agricultural Products:** Examples include tomatoes, yams, rice, poultry eggs, or cassava-based products. Describe these products and emphasize any unique selling points, such as organic certification.

- **Value-Added Products:** Examples include cassava flour, processed dairy products, or packaged rice. Value addition often increases profitability, as value-added products can fetch higher market prices.
- **Services:** Some agribusinesses offer consultancy services, like soil testing, or processing services, like drying and milling for local farmers.

## Marketing and Sales Strategy for Agribusiness

A marketing and sales strategy helps position the products in the market, defining how they will reach customers and create revenue.

- **Marketing Plans:** In Nigeria, agribusinesses may use a mix of traditional and digital marketing. For example, a poultry business might use social media to showcase its products and educate consumers on their benefits.
- **Sales Forecasting:** Forecast sales based on demand trends, seasonality, and customer segments. For instance, maize sales may peak after harvest periods in local markets and decline off-season unless processed and preserved.
- **Target Segments:** Identify specific customer segments, such as wholesalers, retailers, and online markets. A vegetable farm in Lagos, for example, might target grocery chains, roadside vendors, and online food delivery platforms.

## Operational Plan for Farms and Agribusinesses

An operational plan provides a roadmap for day-to-day activities, focusing on production cycles, planting schedules, and resource allocation.

- **Production Cycles:** Detail your farming calendar. For example, a maize farmer in Nigeria might plan planting for the rainy season around May, with harvesting scheduled for August.
- **Harvesting and Processing:** Outline the process for harvesting and, if applicable, processing produce. For instance, a rice farm might need processing facilities to mill harvested rice.
- **Resource Planning:** List resources needed, such as water, seeds, fertilizers, labor, and machinery. A poultry farm, for example, would need feed, water, and cages.

## Financial Plan

The financial plan covers the budget, projected revenue, expenses, and profitability.

- **Budget:** Estimate costs for farm inputs like seeds, fertilizers, pesticides, and machinery. In Nigeria, fertilizers are a significant input cost, especially if bought at market price rather than through government subsidies.
- **Financial Projections:** Project revenue based on yield expectations and market prices. For instance, if each hectare of cassava yields 25 tons and the market price is ₦25,000 per ton, revenue projections can be made accordingly.

- **Profitability:** Calculate profitability by subtracting projected costs from revenue. Ensure the projections account for realistic assumptions about yield, market fluctuations, and input prices.

## Risk Analysis

Agribusiness is inherently risky due to factors like climate variability, pests, and market fluctuations. Conduct a risk analysis to identify potential threats and mitigation strategies.

- **Climate Variability:** Unpredictable rainfall or extreme temperatures can affect yields. Mitigation strategies include irrigation, crop rotation, and choosing resilient crop varieties. For instance, northern Nigeria has seen benefits from drought-resistant maize varieties.
- **Pests and Diseases:** Pests like armyworms can devastate crops. Investing in pest-resistant seeds or using integrated pest management (IPM) methods can reduce pest-related losses.
- **Market Fluctuations:** Prices for crops can vary greatly. To manage this risk, agripreneurs might explore contracts with buyers or diversify their customer base across different segments, including local markets, wholesalers, and food processing companies.

## Conclusion

Developing an agribusiness plan with these components creates a roadmap for launching and managing a successful agricultural venture in Nigeria. Each section provides structure and direction, enabling agripreneurs to identify opportunities, assess risks, and plan finances effectively. By understanding and addressing the

unique needs of the Nigerian market, young agripreneurs can build sustainable businesses that contribute to Nigeria's food security and economic growth.

## CHAPTER FOUR

### WRITING AND PRESENTING AN AGRIBUSINESS PLAN

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Presenting a well-prepared agribusiness plan is key to securing support from investors, stakeholders, or government bodies. An effective agribusiness plan highlights your unique approach, appeals to specific audiences, and communicates your value. Here's a breakdown of each section, adapted to the Nigerian context:

#### Formatting Tips for Clarity and Professionalism

- **Use Clear Headings and Subheadings:** Organize sections with headings (e.g., "Executive Summary," "Market Analysis") to enhance readability. This format helps readers, like potential investors, quickly locate key information.
- **Professional Language and Tone:** Avoid jargon and use straightforward language. For example, instead of "polycarb feed supplement," write "high-protein animal feed."
- **Charts and Tables:** Presenting data visually, like yield forecasts or budget breakdowns, helps stakeholders understand projections and costs. For example, a chart showing projected income from fish sales across different market segments can clarify profitability.

## Tailoring the Agribusiness Plan for Specific Audiences

Different audiences look for different elements in an agribusiness plan, so adjusting your presentation to address specific interests can improve engagement.

- **Investors:** Focus on financial aspects like projected ROI, risk management, and growth potential. For example, if presenting a poultry business plan to a microfinance bank, emphasize monthly revenue forecasts and potential profitability.
- **Government Bodies or NGOs:** Highlight how your agribusiness aligns with national agricultural goals, such as increasing food security or providing jobs. If applying for government grants, describe how your cassava processing business supports Nigeria's goal to reduce cassava importation by creating local alternatives.
- **Potential Partners or Suppliers:** Emphasize operational efficiency, product quality, and logistical capabilities. For a maize farm interested in partnering with a large distributor, highlight your production capacity and ability to meet demand consistently.

## How to Pitch Your Agribusiness Plan

Pitching is about presenting the core elements of your agribusiness plan succinctly. Given the time constraints of pitches, focus on the essentials and keep your presentation compelling.

- **Start with a Hook:** Begin by capturing attention. For example, if you're pitching a honey production business, start with, "Nigeria imports \$1.5 billion in honey each

year. My business aims to capture this demand with locally-produced honey from Kaduna State."

- **Focus on the Problem and Solution:** Clearly explain the agricultural problem your business solves. If you're pitching a vegetable greenhouse farm, highlight how you're addressing the problem of vegetable shortages during off-seasons.
- **End with a Call to Action:** Whether you're seeking funding or partnership, be clear about your ask. For instance, "I'm seeking ₦5 million in funding to expand production and meet the growing demand for organic vegetables in Lagos."

## Defining Your Unique Value Proposition (UVP)

A strong UVP explains what sets your agribusiness apart from others. It's critical in a competitive market like Nigeria, where differentiating factors attract customers and partners.

- **Identify Key Benefits:** Highlight specific benefits your business offers. For example, if you're running a catfish farm, your UVP might be "fresh, organic catfish produced with environmentally friendly methods and delivered directly to homes in Abuja."
- **Explain the Problem Solved:** If your poultry farm addresses the challenge of inconsistent egg supply in rural communities, this should be part of your UVP. Emphasize your farm's capacity to provide a reliable source of eggs year-round.
- **Examples of UVP:** For instance, "Nigeria's first organic millet flour, supporting healthier local diets," could be

the UVP for a millet processing business focusing on the health-conscious Nigerian consumer.

## Identifying Your Ideal Customer Profile (ICP)

Defining your Ideal Customer Profile (ICP) helps target marketing efforts more effectively. In agribusiness, an ICP typically includes customers who need your product and have the resources to buy it regularly.

- **Consider Demographics and Geography:** For example, a high-value spice farm in Kano may identify urban households and local restaurants in Abuja and Lagos as the ideal customers, given the demand for premium spices in these regions.
- **Behavior and Preferences:** For a vegetable farm focused on organic produce, health-conscious consumers who prefer pesticide-free vegetables would be the ICP. In Nigeria, many of these customers are found in urban areas with higher income levels.
- **Example:** A poultry farm targeting bulk buyers may define its ICP as wholesalers in Lagos who need steady, large quantities of eggs and prioritize consistency in supply.

## Validating Your Agribusiness Idea through Test Assumptions and Validation

Validating your idea before fully launching reduces risks by ensuring there is demand for your product.

- **Conduct Market Tests:** Start with small-scale trials. For example, if you plan to sell processed yam flour, test a

few batches at local markets in Oyo State to gauge interest and obtain feedback.

- **Gather Customer Feedback:** Reach out to potential customers and ask for feedback on your product. For instance, if you're producing organic poultry, offering samples to grocery stores and recording their responses can validate demand and refine your offering.
- **Assess Initial Sales:** Use early sales data to assess demand. For example, if an initial run of bottled groundnut oil sells out quickly in local Sokoto markets, it suggests there's solid demand, validating your idea before full-scale production.

Each of these sections, tailored to the Nigerian context, allows agripreneurs to structure their agribusiness plans effectively, increasing the chances of attracting support and scaling their ventures. A plan that's clear, data-driven, and targeted for the right audience can make the difference in Nigeria's competitive agribusiness landscape.

## CHAPTER FIVE

### FUNDING SOURCES FOR AGRIBUSINESS IN NIGERIA

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As a young Nigerian with an agribusiness idea, securing funding can be a significant hurdle. However, several avenues are available to help you turn your dream into reality. Here are some of the primary sources of funding for agribusiness in Nigeria:

#### **Equity Capital**

There are several sources of equity capital in agribusiness, which includes Personal savings, family & friends, private and angel investors, venture capitalist, crowdfunding, Government programs etc.

#### **Personal Savings**

Personal savings are often the first step for aspiring agripreneurs. Savings represent money the individual has accumulated over time, typically without incurring debt. For Nigerian youth, especially those new to agribusiness, using personal savings allows them to test their business idea on a small scale without outside financial pressure. For instance, a youth might use personal savings to purchase seeds, simple tools, or initial livestock, laying the foundation for their agribusiness.

The advantages of Personal savings are avoidance of interest payments and debt obligations while providing complete control over the business, with no influence from external investors. The disadvantages include savings may be limited, restricting the scale of the agribusiness and building sufficient savings may take time, delaying the business start-up.

## **Family and Friends**

Family and friends are a common source of support, especially in the early stages of a business. Many Nigerian agribusinesses turn to their social networks for small loans or investments. This informal funding approach can be less complicated than formal loans, as family members and friends often offer flexible terms. For example, a young agribusinesses may ask a relative for funds to rent land or buy fertilizers, with the agreement to repay over time.

Advantages includes often comes with flexible repayment terms and little or no interest as well as it helps builds a support network around the business, fostering encouragement and trust. The disadvantages includes financial strain or misunderstandings with family members or friends may arise if the business does not succeed as well as it can lead to pressure or expectations that may affect business decisions.

Both personal savings and family support are valuable starting points for Nigerian agribusinesses, providing early-stage capital and enabling small-scale agricultural ventures without the constraints of formal loans.

## **Private Investors**

Private individuals or investment firms can provide equity capital to agribusinesses. These investors often seek opportunities to invest in promising agricultural ventures in exchange for ownership shares or equity in the business.

## **Venture Capital**

Venture capital firms specialize in providing equity capital to high-growth businesses, including agribusinesses. They invest in

early-stage or emerging companies with significant growth potential and typically take an active role in guiding the business and maximizing its value.

### **Private Equity**

Private equity firms invest in established agribusinesses with the aim of improving their performance and profitability. They typically acquire a significant ownership stake in the company and work closely with management to implement strategic changes and drive growth.

### **Angel Investors**

Angel investors are individuals or groups that provide capital and mentorship to startups in exchange for equity or ownership interest. Generally, angels are looking to invest in startups and early-stage businesses. They usually invest small amounts of money and for a limited period (2-5 years). They do not participate directly in the running of the business. For example, the Tony Elumelu Foundation Entrepreneurship Program: Offers \$5,000 in seed capital to African entrepreneurs, including agribusinesses

### **Government Programs**

The Nigerian government both at the Federal and States level offers various grants and subsidies to support agricultural development. These programs are often targeted at smallholder farmers and young entrepreneurs. Examples include The Federal Government's Anchor Borrowers' Program which provides loans to smallholder farmers to boost agricultural production. Another example is the Youth Entrepreneurship Support (YES) Program

## **Crowdfunding**

Agribusinesses can raise equity capital through crowdfunding platforms, where multiple individuals contribute smaller amounts of money to collectively fund a project or business. Crowdfunding can be an effective way to access capital while engaging a broader base of investors. Platforms like Kickstarter and Indiegogo allow you to raise funds from a large number of individuals. This approach can be effective for innovative agribusiness ideas that resonate with the public.

## **Strategic Partnerships**

Agribusinesses may form strategic partnerships with larger corporations or industry players that invest equity capital in exchange for collaboration, access to new markets, or technological advancements. These partnerships can provide financial resources as well as expertise and industry connections.

## **Retained Earnings**

Retained earnings are the accumulated profits or earnings that a company has retained and reinvested in the business rather than distributing them to shareholders as dividends.

It's important to note that the availability and suitability of these sources may vary depending on factors such as the stage of the agribusiness, its location, market conditions, and the specific requirements of the investors. Agribusiness entrepreneurs should carefully consider their business needs, growth plans, and investor preferences when seeking equity capital.

## **Loans**

For Nigerian youth looking to enter agribusiness, understanding the types of financing options available is essential for making

informed choices based on the needs and stages of their business.

- a) **Short-term loans:** This financing is ideal for temporary financial needs, such as seasonal inputs or emergency cash flow. These loans can be structured as fixed-term loans with specific repayment dates or as revolving credit lines that provide ongoing access to funds. For young agripreneurs, short-term loans are often sourced from microfinance banks, commercial banks, or even local money lenders. These loans can be secured with collateral (such as assets) or unsecured for well-established ventures.
- b) **Medium-term loans:** This financing which spans from one to five years, supports business expansion, equipment purchases, or modernization efforts. This type of loan is usually amortized, meaning equal, periodic payments (monthly or quarterly) are made until the loan is repaid. Collateral is typically required, often tied to fixed assets that secure the loan. Nigerian agripreneurs can access medium-term loans through commercial banks, Central Bank of Nigeria (CBN) intervention programs, or non-bank financial institutions like insurance or pension funds. This financing option is suitable for agripreneurs who have already established a foundation and are ready to scale or upgrade their operations.
- c) **Long-term loans:** This financing extends beyond five years and is used for significant investments, such as purchasing land, constructing facilities, or acquiring heavy machinery. Lenders for these loans assess the agribusiness's track record, the skills of the management team, and the business's stability. Long-term loans are amortized over the repayment period and are generally secured by a mortgage or claim on specific assets, like real estate or equipment.

Nigerian development banks, such as the Bank of Industry (BOI), Bank of Agriculture (BOA), Development Bank of Nigeria (DBN), and Development Finance Institutions like the African Development Bank (ADB), World Bank (WB), and IFAD, are prime sources for these loans. For young Nigerian agripreneurs with solid business plans and an established track record, long-term financing offers the capital necessary for substantial growth and investment in infrastructure.

- d) **Microfinance and Cooperative Financing:** Microfinance Institutions offer small loans to individuals and small businesses, including farmers. They often have flexible repayment terms and require minimal collateral. Example include NIRSAL Microfinance Bank (NMFB) Loans. Meanwhile, Agricultural Cooperatives can provide access to financing, training, and market opportunities. Cooperatives often pool resources to invest in equipment, technology, and other assets.

## Local and International Support Programs

Support programs offer more than just financial assistance; they provide mentorship, resources, and market access, which are invaluable for agribusiness students in Nigeria.

- **Youth Farm Lab:** This Lagos-based incubator program targets young Nigerians interested in agriculture, providing resources, technical training, and access to farmland.
- **SMEDAN Youth Agribusiness Program:** The Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) offers training, mentoring, and funding support to youth agripreneurs, helping students access resources to run a successful agribusiness.

- **African Development Bank (AfDB) Youth Agripreneurs Program:** AfDB offers training, funding, and business support for young agripreneurs across Africa. Nigerian students involved in cassava processing, poultry, or any other agribusiness can access these resources.
- **USAID Feed the Future Program:** This initiative provides technical assistance, market linkages, and funding for Nigerian youth-focused agribusiness projects. Students interested in sustainable practices and food security can benefit from this program.
- **AGRA (Alliance for a Green Revolution in Africa):** AGRA offers technical and financial support to agribusiness ventures in Africa, including Nigeria. Through grants and networking opportunities, Nigerian students can leverage AGRA's resources to improve farming efficiency or scale production.

## Other Sources

- a) Trade Credits
  - It is the credit advanced by suppliers and vendors of the agribusiness firm.
  - If the agribusiness is creditworthy, some suppliers may be willing to sell on consignment ( does not have to pay until it is able to actually sell them).
- b) Leasing and Renting,
  - An alternative to owning a durable asset (e.g., land, machinery) is to lease the asset.
  - A lease is a contract by which the control over the right to use an asset is transferred from the lessor (owner) to the lessee (person acquiring control) for a specified time in return for a rental payment.

- A business leases to avoid using its cash resources for purchasing assets.
- Leased assets can be turned back to the lessor and newer or better assets procured.

## **Navigating Nigerian Agricultural Financial Institutions**

Several financial institutions in Nigeria specialize in supporting agricultural ventures, offering tailored loans, guarantees, and advisory services. Knowing how to approach these institutions and understanding their requirements can open funding doors for agribusiness students.

- **Bank of Agriculture (BOA):** BOA provides soft loans and development funds for agriculture projects across Nigeria. Students interested in crop production, fisheries, or livestock farming can apply for loans with relatively low interest rates. BOA also offers flexible repayment plans, making it easier for young agripreneurs to manage financing.
- **NIRSAL Plc:** The Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL) works with banks to guarantee loans to agricultural businesses. NIRSAL's **Agriculture Geo-Cooperative Model** helps students access credit as groups, leveraging collective resources for collateral. This can be useful for students setting up a shared poultry farm or greenhouse project
- **Anchor Borrowers' Program:** CBN offers targeted loans through this program to support rice, maize, and other staple crops. By reducing import dependency, the program helps students engage in profitable farming ventures aligned with government objectives.

- **Agricultural Credit Support Scheme (ACSS):** ACSS is a collaborative effort with commercial banks to provide loans with a grace period, making it ideal for students needing funds for crops with long growth cycles, such as oil palm or cocoa.

### **Examples of How to Navigate These Financial Institutions**

- a) **Applying for the Anchor Borrowers' Program:** For a cassava farming project, students could apply to the Anchor Borrowers' Program through the CBN. They would need a feasible business plan showing expected yield and market strategy. Once approved, funds would be disbursed through a partner bank to cover inputs like seedlings, fertilizer, and labor.
- b) **Group Loan from NIRSAL Plc:** A group of agribusiness students could form an agricultural cooperative and approach NIRSAL Plc for a collective loan. This approach can benefit students by pooling resources, enabling them to secure larger loans for ventures like maize farming or fishery operations, which might be too expensive for individuals to fund alone.
- c) **Youth Agripreneurs with the African Development Bank:** A student with a poultry farming business can apply for the AfDB Youth Agripreneurs Program, submitting a plan focused on expanding production and securing new markets. If selected, the student would receive not only funding but also mentorship from experienced agribusiness professionals, enhancing the potential for success.

By exploring these funding options, support programs, and financial institutions, Nigerian agribusiness students and youths

can access vital resources to start or expand their ventures. Combining financial assistance with technical support and market access helps young entrepreneurs establish sustainable agribusinesses that contribute to Nigeria's economy.

### **Tips for Securing Funding for Your Agribusiness**

- **Develop a Strong Business Plan:** A well-crafted business plan is essential for attracting investors. It should outline your business idea, market analysis, financial projections, and risk management strategies.
- **Build Strong Relationships:** Networking with other entrepreneurs, industry experts, and government officials can help you identify funding opportunities and secure support.
- **Leverage Technology:** Use technology to improve efficiency, reduce costs, and enhance your business model. This can make your venture more attractive to investors.
- **Consider Partnerships:** Partnering with established businesses or organizations can provide access to resources, expertise, and funding.
- **Be Patient and Persistent:** Securing funding can take time. Don't get discouraged; keep refining your business plan and exploring different funding options.

By understanding these funding sources and implementing effective strategies, you can increase your chances of securing the necessary capital to launch and grow your agribusiness venture.

## CHAPTER SIX

### LEGAL STRUCTURES FOR AGRIBUSINESS IN NIGERIA

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Choosing the right legal structure is essential for agribusiness students in Nigeria as it affects the business's legal responsibilities, tax obligations, and liability. Here's a detailed discussion on each aspect with a focus on youth-driven agribusiness ventures.

#### **Choosing the Right Legal Structure**

The legal structure of an agribusiness determines ownership, decision-making, and profit-sharing. Here are common options in Nigeria:

##### **Sole Proprietorship:**

Ideal for small agribusinesses owned and run by a single person, such as a vegetable garden or poultry farm. It is easy to set up, requires minimal documentation, and has fewer regulatory requirements. However, the owner is personally liable for all debts, which can be risky if the business faces losses.

*Example:* A student running a small-scale fish farm could register as a sole proprietor, allowing them to manage the business with minimal costs while maintaining full control.

##### **Partnership**

A partnership involves two or more people pooling resources to run an agribusiness together. This structure allows shared responsibility, easier capital accumulation, and shared risk,

which can benefit student startups. However, all partners share liability, meaning personal assets could be at risk.

*Example:* Two students could start a partnership for a crop processing business, each bringing unique skills like marketing and farm management. Together, they can grow the business and share profits based on their contribution.

### **Limited Liability Company (LTD):**

This structure offers limited liability protection, meaning owners' personal assets are shielded if the business incurs debts. LTDs are also flexible in management structure and tax options, which is ideal for youth agribusinesses looking to scale. Registration fees are higher than for sole proprietorships, but the legal protections are valuable.

*Example:* A group of students starting a larger venture, like a cassava processing plant, could register as an LTD. This way, they benefit from shared ownership while protecting personal assets if the business faces financial issues.

### **Understanding Business Registration and Licensing Requirements**

In Nigeria, all businesses, including agribusinesses, must register with the Corporate Affairs Commission (CAC) to operate legally. The steps involve choosing a business name, filling out required forms, and paying the registration fee.

Specific licenses may be needed based on the type of agribusiness:

- **Nigerian Agricultural Quarantine Service (NAQS) Certification:** Required for those involved in the export

of agricultural produce, ensuring crops meet international standards.

- **Local Government Permits:** Some agribusinesses, such as those dealing with livestock or food processing, may require additional local permits to operate.
  - *Example:* A student who wants to start exporting yam flour will need NAQS certification and a CAC registration to legally process and export the produce.

## **Complying with Tax Laws and Regulations**

Understanding Nigeria's tax obligations is essential for youth-led agribusinesses. Common tax obligations include:

### **Company Income Tax (CIT):**

Applicable to all businesses registered as LTDs or corporations, currently set at 30%. However, small companies (annual turnover of less than N25 million) are exempt from CIT, which benefits many youth agribusiness startups.

### **Value Added Tax (VAT):**

VAT is 7.5% in Nigeria and is imposed on most goods and services, although some agricultural goods like seeds and seedlings are VAT-exempt. Registering for VAT is necessary to issue VAT-inclusive invoices.

### **Personal Income Tax (PIT)**

Sole proprietors and partnerships pay PIT on their income. Compliance is crucial, as failing to pay taxes can result in fines and penalties.

*Example:* A student running a maize farm as a sole proprietor would be responsible for paying PIT based on their annual income from the farm. If they're registered as an LTD, CIT may apply depending on the scale of their operations.

## **Intellectual Property Rights and Protection**

Intellectual property (IP) rights are essential for agribusinesses with unique processes, products, or brands. They include trademarks, patents, copyrights, and trade secrets, each protecting different aspects of a business.

### **Trademarks**

Registering a trademark with the Nigerian Trademarks, Patents and Designs Registry protects a unique brand name, logo, or slogan. For instance, a student's unique organic fertilizer brand could be trademarked, preventing others from using similar names or logos.

### **Patents**

If an agribusiness student develops an innovative farming tool or unique product, they could apply for a patent to protect it. For instance, an irrigation system developed to save water in arid areas can be patented, ensuring the inventor's exclusive rights.

### **Copyrights**

Agribusinesses with original written content, like farm management manuals or blogs, can apply for copyrights to protect these materials.

## **Trade Secrets:**

Certain agricultural techniques or formulas, such as unique feed mixtures or organic pesticides, can be protected as trade secrets. It's important to keep these confidential and limit access within the business.

*Example:* A student agribusiness that produces a unique feed mixture for poultry can protect the formula as a trade secret, limiting access to employees who handle feed preparation.

## **Summary Example: Agritech Startup in Nigeria**

Consider an agritech startup led by students specializing in precision farming techniques. After discussing the legal structures, they choose to register as an LTD for liability protection and flexibility in ownership. They register their unique brand name as a trademark, protecting it within the Nigerian market. The startup seeks permits from NAQS to sell their organic crop products locally and internationally. They also register for VAT to meet tax obligations, knowing that their small-business status exempts them from CIT at present.

By choosing the right legal structure and adhering to registration, tax, and IP requirements, these students create a strong legal foundation for their agritech venture.

## CHAPTER SEVEN

### **STEP BY STEP GUIDE ON HOW TO REGISTER A COMPANY WITH THE CORPORATE AFFAIRS COMMISSION IN NIGERIA.**

Here is a step-by-step guide on how to register a company with Nigeria's Corporate Affairs Commission (CAC), tailored for aspiring agribusiness entrepreneurs and students:

#### **Step 1: Choose and Reserve a Company Name**

1. **Visit the CAC website:** Go to the CAC's online portal at <https://pre.cac.gov.ng/login>.
2. **Create an Account:** If you don't have an account, register as a user by filling out the required details.
3. **Conduct Name Search:** Use the "Public Search" option to check if your desired company name is available. Avoid names similar to existing businesses, as they won't be approved.
4. **Reserve the Name:** Once you select a unique name, apply for name reservation online. The reservation costs around ₦500 and is typically valid for 60 days, giving you time to complete the registration.
5. **Approval:** You'll receive a notification via email once your name is approved or rejected. If rejected, you may need to select an alternative name.

#### **Step 2: Prepare the Required Documentation**

The following documents and information are required for registration:

- **Company Objectives:** Describe the purpose of the company. For agribusiness, this might include farming, processing, packaging, or exporting agricultural products.
- **Registered Address:** Provide a physical address in Nigeria where the business is located.
- **Shareholders' Information:** Details of the shareholders, including names, addresses, contact details, and means of identification (e.g., National ID, Passport, Voter's card).
- **Directors' Information:** Include details like names, addresses, and contact details of the company's directors.
- **Share Capital:** Define the share capital structure, such as how many shares each shareholder will own.
- **Identification:** Each director and shareholder must provide valid identification, often a passport or government-issued ID.

### Step 3: Fill Out the Registration Form

1. **Log in to Your CAC Portal:** Use the credentials created in Step 1.
2. **Select Company Registration:** Choose the type of company you want to register (Private Limited Company by Shares is common for small businesses).
3. **Complete the Application Form:** Provide all details, including:

- Company name and type.
  - Registered address.
  - Information about directors and shareholders.
  - Company objectives and share capital structure.
4. **Upload Identification Documents:** Scan and upload identification documents for each director and shareholder.

#### **Step 4: Draft and Upload Incorporation Documents**

For Limited Liability Companies (LTDs), you will need:

- **Memorandum and Articles of Association (MEMART):** This document outlines the purpose of the company, the responsibilities of the directors, and internal management procedures. The CAC portal provides a template MEMART, but you can modify it to fit your agribusiness.
- **Consent Form:** Directors must complete this form, consenting to serve as part of the company's leadership.

If you're unsure, CAC-accredited agents or legal professionals can help draft these documents for a fee.

#### **Step 5: Pay the Registration Fees**

1. **Generate an Invoice:** Once your documents are completed, generate an invoice from the CAC portal.
2. **Pay Online:** Registration fees vary based on the company's share capital, but the typical fee for small

businesses is around ₦10,000 to ₦15,000. Payment can be made online or at any designated bank.

3. **Confirm Payment:** After payment, make sure it reflects on the CAC portal. It usually updates within a few minutes, but it might take longer if you paid at a bank.

### **Step 6: Submit the Application for Review**

1. **Review All Information:** Double-check each entry to avoid errors that could delay approval.
2. **Submit:** Once everything is correct, submit your application online. The CAC will review it, which may take several business days.
3. **Follow Up:** The CAC will update the status of your application on the portal, or you can follow up by email if there is any delay.

### **Step 7: Obtain Your Certificate of Incorporation**

1. **Approval Notification:** Once approved, the CAC will notify you via email, and you'll receive a Certificate of Incorporation and the CAC Form 1.1 (showing company information).
2. **Download Certificate:** Log in to the CAC portal to download your Certificate of Incorporation and other relevant documents.
3. **Keep Documents Safe:** Print and store the certificate and incorporation documents safely, as they'll be required for business transactions, opening bank accounts, and applying for funding.

## Step 8: Register for Tax Identification Number (TIN)

1. **Visit the Federal Inland Revenue Service (FIRS):** After incorporation, you'll need a Tax Identification Number (TIN) for tax purposes.
2. **Apply for TIN:** You can obtain this through the FIRS website or visit the nearest FIRS office with your incorporation documents.
3. **Complete TIN Registration:** Once processed, FIRS will provide your business with a TIN, which is required for tax payments and other financial transactions.

## Step 9: Open a Corporate Bank Account

1. **Select a Bank:** Choose a bank for your business transactions.
2. **Provide Required Documents:** Most Nigerian banks require:
  - Certificate of Incorporation
  - CAC Form 1.1
  - TIN
  - Directors' identification documents
3. **Open Account:** Follow the bank's instructions to open the account, which can facilitate payment collection, supplier payments, and other transactions.

## Step 10: Register for Other Permits (If Necessary)

Depending on your agribusiness activities, you might need additional permits or licenses, such as:

- **Nigerian Agricultural Quarantine Service (NAQS) Certification** for exportation.
- **Local Government Permits** if operating in a specific area.
- **NAFDAC Registration** for any food production or processing for human consumption.

### Summary Example

Imagine you're a student launching a poultry farming business in Nigeria. After reserving a name like "GreenChick Poultry Ltd.," you gather required documents, draft the MEMART, and submit the CAC registration application. Upon receiving your Certificate of Incorporation, you apply for a TIN and set up a bank account. You then contact the local government for necessary business permits and register with NAQS if you plan to export poultry products.

## CHAPTER EIGHT

### ENTREPRENEURSHIP AND PERSONAL DEVELOPMENT IN AGRIBUSINESS

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Starting a successful agribusiness requires more than technical skills in farming—it also demands personal growth, mindset, and skills that equip aspiring agripreneurs to navigate the challenges of the agricultural industry. Key areas in personal development for agripreneurs include building an entrepreneurial mindset, balancing academics with farm duties, and developing essential soft skills. Here’s how these areas contribute to agribusiness success:

#### **Building an Entrepreneurial Mindset for Agribusiness**

The entrepreneurial mindset is critical for anyone entering agribusiness, especially given the sector’s unique challenges and demands. Agripreneurs must be able to innovate, lead, and stay resilient in the face of adversity. Key attributes of an entrepreneurial mindset include:

#### **Resilience:**

- **Agribusiness Challenges:** The agricultural industry is often unpredictable, influenced by factors such as weather, pests, and market price fluctuations. Resilience is necessary to bounce back from these challenges, learn from setbacks, and make continuous improvements.
- **Developing Resilience:** Agripreneurs can build resilience by adopting a solution-oriented approach, keeping a positive outlook during setbacks, and setting

realistic goals that help them remain focused despite challenges.

### **Innovation:**

- **Agribusiness Opportunities:** Innovation in agribusiness can lead to new products, efficient methods, and unique ways to meet customer demands. Whether it's using technology for precision farming, developing organic fertilizers, or creating value-added products, innovation is key to standing out.
- **Cultivating Innovation:** Agripreneurs should stay informed about new technologies and farming practices, attend agricultural conferences, and join agribusiness networks to expose themselves to fresh ideas. Experimenting with small changes in farming practices can also spark innovative breakthroughs.

### **Leadership**

- **Agribusiness Needs:** Agripreneurs are responsible not only for managing resources but also for leading teams, making decisions, and planning for growth. Effective leadership helps in managing farm labor, establishing a productive work culture, and navigating market dynamics.
- **Building Leadership Skills:** Strong leadership involves understanding one's strengths and weaknesses, seeking feedback, and making informed decisions. Agripreneurs can practice by taking on small leadership roles, setting clear goals for their teams, and learning how to motivate and support others.

## Balancing Academics and Agribusiness

For student agripreneurs, balancing academics and agribusiness can be challenging yet rewarding. It requires a structured approach to managing time, setting priorities, and maintaining consistency in both studies and farm duties.

### Time Management:

- **Challenges:** Farming and agribusiness can be time-consuming, with tasks like planting, harvesting, and marketing products often conflicting with academic schedules. Effective time management is crucial to ensure that neither studies nor farm duties are neglected.
- **Strategies:** Agripreneurs can use tools like planners or digital calendars to schedule farm activities around academic responsibilities. Prioritizing tasks, setting daily goals, and delegating where possible can also help balance the demands.

### Setting Priorities:

- **Challenges:** Determining which tasks deserve more attention on a given day is essential. During exam periods, studies might take priority, while at harvest time, agribusiness may need extra focus.
- **Strategies:** Students should identify peak times for both academics and agribusiness and plan accordingly. Setting weekly goals and adjusting priorities based on immediate needs can help prevent burnout and ensure success in both areas.

## Utilizing Campus Resources:

- **Opportunities:** Many universities have resources that can support student entrepreneurs, such as mentorship programs, entrepreneurship centers, and access to research facilities.
- **Strategies:** Student agribusinesses can connect with professors or academic advisors who specialize in agriculture, join agribusiness clubs, or use campus resources to improve their skills and learn new farming techniques.

### b) Delegation:

- **Challenges:** Agribusiness requires hands-on involvement, but sometimes, the academic load may be heavy.
- **Strategies:** Agribusinesses can hire seasonal labor or involve family members in specific farm activities. Automation and outsourcing certain tasks, such as bookkeeping or marketing, can also help reduce the workload.

## Soft Skills for Agribusiness Success

In addition to technical skills, agribusiness success depends significantly on soft skills. Effective communication, teamwork, and leadership are all essential to managing an agricultural enterprise. Here's how these soft skills apply specifically to agribusiness:

## **Negotiation:**

- **Importance in Agribusiness:** Negotiation skills are essential for pricing products, purchasing supplies, and securing contracts. Agripreneurs often negotiate with suppliers, buyers, and distributors, and being able to secure favorable terms impacts profitability.
- **Building Negotiation Skills:** To develop strong negotiation skills, agripreneurs should learn to listen actively, understand the interests of other parties, and aim for win-win solutions. Role-playing and practicing with friends or mentors can improve confidence and effectiveness in negotiations.

## **Teamwork:**

- **Importance in Agribusiness:** Farming and agribusiness often involve teamwork, whether it's working with farm labor, collaborating with suppliers, or networking with other agripreneurs. The ability to work well with others improves productivity and fosters a positive working environment.
- **Developing Teamwork Skills:** Building teamwork skills involves being open to feedback, respecting diverse perspectives, and communicating clearly. Joining agricultural clubs or group projects on campus can also help students practice teamwork in a real-world setting.

## **Leadership:**

- **Importance in Agribusiness:** Agribusinesses require strong leadership for effective management, especially as operations expand. Leaders need to set

clear goals, motivate employees, and make decisions that align with long-term business objectives.

- **Practicing Leadership Skills:** Leadership skills can be developed by taking on small leadership roles, such as managing a farm team or organizing an agribusiness event. Practicing decision-making, building trust, and learning how to inspire others are all valuable aspects of strong leadership.

### **Problem-Solving:**

- **Importance in Agribusiness:** Agriculture involves constant problem-solving, from dealing with pest infestations to adapting to changes in weather. Agripreneurs need to be quick thinkers and proactive in finding solutions to maintain productivity.
- **Developing Problem-Solving Skills:** Agripreneurs can improve problem-solving skills by staying informed about potential challenges, learning from other agripreneurs' experiences, and embracing a mindset of curiosity and adaptability.

### **Effective Communication:**

- **Importance in Agribusiness:** Communication is critical for building relationships with suppliers, customers, and team members. Effective communication can help agripreneurs market their products better and create a positive brand image.
- **Enhancing Communication Skills:** Agripreneurs can practice communication by engaging in public speaking, writing clear product descriptions, and

networking. Listening actively and conveying ideas clearly and respectfully also contribute to building strong connections.

## **Conclusion**

Entrepreneurship in agribusiness isn't just about knowing how to grow crops or raise livestock. It also involves developing a resilient and innovative mindset, learning to balance different responsibilities effectively, and mastering essential soft skills. For student agripreneurs, these attributes create a strong foundation for building successful agricultural ventures. By focusing on personal development in these areas, young agripreneurs can make meaningful contributions to Nigeria's agricultural sector while achieving their personal and business goals.

## CHAPTER NINE

### CONCLUSION AND FUTURE

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Agribusiness offers a transformative avenue for Nigeria's economic growth and development, and as more youth explore this field, the sector has the potential to become a key driver for job creation, food security, and rural transformation. By venturing into agribusiness, Nigerian youth not only contribute to the country's self-sufficiency in food production but also set themselves on a path toward sustainable livelihoods.

In a world where climate change, technology, and population growth are reshaping agriculture, it's clear that agribusiness holds promise for those with innovative ideas and the resilience to navigate challenges. For students and young entrepreneurs, developing essential business planning skills will prove crucial for maximizing their potential in this sector.

#### **Future of Agribusiness in Nigeria**

The future of agribusiness in Nigeria is bright, driven by a few critical factors:

- a) **Rising Demand for Food and Agricultural Products:** With a growing population of over 200 million people, there is a constant demand for food, creating ample opportunities for local agribusinesses.
- b) **Government Support and Incentives:** The Nigerian government has increasingly recognized agribusiness as a key sector for economic development, offering grants, subsidies, and loans, such as through the Central Bank of Nigeria's Anchor Borrowers' Program.

- c) **Technological Advancements:** Innovations in agritech are gradually gaining traction in Nigeria, from mobile applications connecting farmers to buyers, to drone technology and IoT for precision agriculture. Young agripreneurs with tech skills can leverage these advancements to improve productivity and profits.
- d) **Export Opportunities:** Nigeria has high potential for agricultural exports, including crops like cocoa, cassava, and sesame seeds, which can bring in foreign revenue and promote economic diversification.

For the youth, this evolving landscape presents an opportunity to lead and redefine agribusiness with innovative solutions that address local and global food demands.

### **Encouraging Agripreneurship in Tertiary Institutions and Aspiring Agripreneurs**

To foster agripreneurship among Nigerian youth, especially in tertiary institutions, a few strategies could be effective:

- a) **Incorporate Agribusiness in Curriculums:** Including agribusiness in academic programs can give students a foundation in both practical and theoretical aspects of agriculture, helping them see it as a viable career choice.
- b) **Build Entrepreneurship Support Programs:** Establishing on-campus agribusiness incubators and mentorship programs can help students build real-world skills, access startup funding, and learn from successful agripreneurs.
- c) **Hands-on Training and Internships:** Partnerships with farms, agritech companies, and agro-processing

industries can provide students with essential hands-on experience.

- d) **Promote Competitions and Grants:** National agribusiness competitions or grant programs targeted at student agripreneurs can incentivize students to pursue innovative projects in agriculture.

Institutions like the Centre for Entrepreneurship Development at Usmanu Danfodiyo University, Sokoto, are leading initiatives to create awareness and skills among students, equipping them to tackle agribusiness challenges and build sustainable enterprises.

### **Trends and Innovations in Agribusiness**

Nigerian youth have the opportunity to explore various trends and innovations in agribusiness, including:

- a) **AgriTech:** With the rise of mobile technology, Nigerian youth can build or utilize platforms that offer advisory services, market insights, and price comparisons for farmers. Apps like FarmCrowdy have already paved the way for agritech in Nigeria.
- b) **Precision Agriculture:** Emerging technologies, such as drones, GPS mapping, and data analytics, are helping optimize farm operations, leading to better resource management and higher yields.
- c) **Climate-smart Agriculture:** Youth in agribusiness can employ climate-smart techniques, including crop rotation, organic farming, and water conservation, which are particularly important given Nigeria's vulnerability to climate change.

- d) **Value Addition and Processing:** Moving beyond raw production to processing and packaging products adds value and opens new market opportunities. For instance, cassava can be processed into flour, ethanol, or animal feed, each with different market potentials.
- e) **Agro-Logistics and Export:** There's also potential for young entrepreneurs to explore logistics for perishable produce, making it easier for farmers to access domestic and international markets.

In conclusion, by embracing innovation, resilience, and sustainable practices, Nigerian youths have the potential to revolutionize agribusiness, unlocking not only economic opportunities but also contributing to Nigeria's food security and global competitiveness. Encouraging agribusiness and fostering entrepreneurial ecosystems in tertiary institutions can help Nigerian youth lead the next generation of agricultural transformation.

**PART II**  
**BUSINESS PLAN FOR UDUS RICE MILL**  
**LIMITED**



# UDUS RICE MILL LIMITED

## PHASE 1 FEASIBILITY PLAN



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13th November, 2022

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## EXECUTIVE SUMMARY

According to statistics, in 2021 over 60% of Nigerian graduates are either unemployed (40.9%) or underemployed (19.5%). This unfortunate situation has been attributed to the fact that in the Nigerian university system, emphasis has always been on paper qualification rather than on entrepreneurship and skills (technical, managerial, and social) which are the main prerequisites for employment and job creation in today's Nigeria.

Although agriculture is touted as a vocational course where graduates are expected to demonstrate entrepreneurship and self-reliance by collaborating and starting small agribusiness ventures of their own, it is pertinent to note that graduate unemployment among agricultural graduates in Nigeria is as alarming as that of other courses. This may be attributed to among other things, the fact that practical activities in Agricultural colleges and faculties in Nigerian universities are for all intent and purpose geared towards **academic** pursuit only, rather than as an **entrepreneurial**.

Meanwhile, to change this unfortunate situation, the leadership of the Faculty of Agriculture of Usmanu Danfodiyo University Sokoto, has come up with projects and programmes that will inspire agricultural students to become job creators instead of job seekers upon graduation. One of these projects, is the establishment of Agribusiness Research, Training and Incubation Centre (UDUS--ARTIC) primarily to provide training and incubation services for budding Agripreneurs in the University and beyond. Presently, UDUS--ARTIC aim to develop the Rice Value-Chain which encompasses Rice inputs (seeds, fertilizers, chemicals, extension services), Rice production, Paddy rice aggregation (logistics, warehousing),

Rice milling, and Rice marketing. UDUS RICE MILL LTD is therefore the first of these proposed value-chain enterprises.

The Mill shall be an incorporated entity with the sponsors being the Usmanu Danfodiyo University (51%), the Staff Multipurpose Cooperative Society (30%), the Course Tutor and Students of Agribusiness class of 2021/22 session (10%) and the Centre for Entrepreneurship Development, UDUS (9%).

The Mill will be set up at the mechanical workshop of the Faculty of Agriculture. The location is a prime one considering that there exist large structures that can housed the Mill thereby saving on constructions of new facilities. Availability of regular electricity and water supply, proximity to raw materials (Fadama lands) and the market (UDUS) as well as access roads and spaciousness that can be used for future expansion at minimum cost.

The market for the Mill shall be the staff, students of Usmanu Danfodiyo University and other members of the immediate community. The Mill is expected to be a tremendous success considering the enormous market (all staff and students are rice potential customers) coupled with the **high** purchasing power of the staff and **mass** purchasing power of the students. Abundance of raw materials coupled with modern processing methods will result in offering to the market exclusive high value products at competitive prices that will more than meet the needs and expectations of the consumer. Finally, an aggressive *direct* and *online* marketing approach coupled with Home/Office delivery services will ensure that all potential customers will become **actual** customers.

The Mill Management and Personnel shall be as per standard of a registered company with a Board of Directors, Managing Director, Production manager, Accountant, and others. The

Dean of the Faculty of Agriculture UDUS, shall be the Board Chairman, the Course tutor shall be the Managing Director, while all other positions shall be competitively open to suitable candidates.

The startup cost for the Mill is **₦12,000,000** which is distributed as follows: Land and developments **₦ 672,600**; Machineries and Equipment **₦5,968,405**; Inventory **₦ 3,955,000**; Business plans and Incorporation **₦266,000**; ICT **₦ 509,500**; Marketing **₦87,100** and Miscellaneous **₦ 606,530**. All will be financed from the equity capital of the business.

The projected profitability analysis shows that the sum of **₦4,298,000** is expected to be the revenue per production cycle while incurring the total cost of **₦4,016,217**. Thus, a gross profit of **₦281,783** per production cycle is expected. Therefore, assuming a minimum of 12 and a maximum of 48 production cycles per annum, the minimum and the maximum gross profit would be **₦3,381,396** and **₦13,525,584** respectively. Giving an ROI of minimum of **28.18%** and a maximum of **112.71%**. Being a newly establish Agro-processing company, the company will not have to pay Corporate Income Tax for the first five years. Therefore, it is envisaged that the Gross profit will equally be the Net profit

It can be concluded that UDUS Rice Mill Ltd will be a profitable enterprise that will earn healthy profit to the shareholders while at the same time generating the much-needed revenue to the the University. Most importantly it will cause a paradigm shift in thinking among the students and staff of Usmanu Danfodiyo University of the possibility of becoming employers rather than employees. Finally, the project will demonstrate in concrete terms that Usmanu Danfodiyo University is putting into

practices what it teaches, thus enhancing the visibility of the the University in the society and among its peers.

## 1.0 INTRODUCTION

### 1.1 Background

Quality of university education has a highly significant negative relationship with graduate unemployment. This is starkly illustrated by the graduate unemployment figures in the two of Africa's largest economies (Nigeria and South Africa). According to statistics from Nigeria Bureau of Statistics, in 2021, over **60%** of Nigerian graduates are either unemployed (40.9%) or underemployed (19.5%). However, only about **12%** of South Africa's graduates are unemployed, with the University graduates' unemployment figure being spectacularly low, at **2%**. It is noteworthy that, South African' universities have been consistently ranked among the top in the world, and that of the top ten universities in Africa, 7 are in South Africa while Nigeria has 1. Most worrisome is that, in Nigeria, additional university degrees do not seem to confer any advantages on employment, as Postgraduate under and unemployment for master's degree holders is 45% and that of PhDs is even worse at about 49%

It has been observed that many of the unemployed graduates suffers premature death resulting from criminality, incapacitation, stroke, hypertension, malnutrition, vehicular accidents and all the tragedies associated with poverty. Facing the pressure to earn income and survival, the unemployed engages in risky and sometimes immoral jobs with many of them forced by the circumstances to work under poor, insecure and precarious conditions in the informal economy.

Many studies have shown that graduate unemployment in Nigeria is attributed to the fact that in the Nigerian university system, emphasis has always been on paper qualification rather

than on entrepreneurship and skills (technical, managerial and social). Unfortunately, for Nigeria's graduate, it has been reported that 65% of employers in Nigeria considers entrepreneurship and skills as a prerequisite for employment, attributes that are truly lacking in Nigerian graduates.

Although agriculture the world over is touted as a vocational course where graduates are expected to demonstrate entrepreneurship and self-reliance by collaborating and starting small agribusiness ventures of their own, it is pertinent to note that graduate unemployment among agricultural graduates in Nigeria is as alarming as that of other courses. This may be attributed to among other things, to the fact that practical activities in Agricultural colleges and faculties in Nigerian universities are for all intent and purpose geared towards **academic** pursuit only, rather than as an **Agribusiness** which has been the global trend.

This can be succinctly illustrated by the case of Faculty of Agriculture of Usmanu Danfodiyo University, Sokoto, where even after about 40 years of operations, the Faculty cannot boast of a single major **money-making** agribusiness enterprise from which staff and students can be inspired to become entrepreneurs. This is ironic, considering the huge resources; **natural** (Land, Rivers), **human** (skilled staff and hundreds of students) and **material** (machineries and equipment) the Faculty has accessed to. With these resources the faculty ought to be profitably producing **crops** (Rice, Fruits and Vegetables), **livestock** (ruminants, fish and poultry) and **farm products** (milk, eggs, juice) to meet the demand of at least the University community, while contributing to the Internally Generated Revenue of the Faculty and the University.

Meanwhile, to change this unfortunate situation, the leadership of the Faculty of Agriculture of Usmanu Danfodiyo University Sokoto, has come up with projects and programmes that will inspire agricultural students to become job creators instead of job seekers upon graduation. One of these projects, is the establishment of Agribusiness Research, Training and Incubation Centre (UDUS--ARTIC) primarily to provide training and incubation services for budding Agripreneurs in the University and beyond. Presently, UDUS--ARTIC aim to develop the Rice Value-Chain which encompasses Rice inputs (seeds, fertilizers, chemicals, extension services), Rice production, Paddy rice aggregation (logistics, warehousing), Rice milling, and Rice marketing. UDUS RICE MILL LTD is therefore the first of these proposed value-chain enterprises.

### **1.2. The Concept**

UDUS RICE MILL LTD will at its full operation be a **two tones per day** rice processing Mill to be established within the precinct of the Usmanu Danfodiyo University permanent site. The Mill will produce three categories of rice namely, long grain polished rice, short grain unpolished rice and brown (low sugar) rice. The market for the Mill shall be the staff and students of the University as well as the immediate community. Meanwhile, the Fadama lands within the university are expected to be the major source of raw materials (paddy) for the Mill, pending the take off of UDUS RICE FARM LTD.

This proposal is for Phase 1 of the project, which will be solely sponsored by the shareholder's fund. Thereafter, the profit realised in phase 1 as well as short term Banks loan will be used to fund the Phase II. Finally, in phase III, having garnered enough experience and reputations, the Mill will seek additional financial interventions from Bank of Industry (B O I) under its Food and

Agroprocessing Loan facility. The fund will be in the acquisitions of modern rice Milling machineries and equipment.

It should be noted that in phase I, the production system will be modeled on the one established by AFRICARICE at Goronyo Irrigation scheme under the TRIMMING program. The system is a hybrid one, whereby an improved local Pre-milling system is integrated with a modern Milling system, resulting in high quality milled rice, at low production cost.

### **1.3 The Vision**

To be a profitable agribusiness enterprise that provides inspiration and experience to staff and students to become job creators, while earning healthy returns to our investors, as well as giving our Faculty and UDUS visibility and public goodwill.

### **1.4 The Mission**

UDUS Rice Mill strives to produce high-quality rice at competitive prices, offering hands-on experience to students in Agro-allied industry operations. We aim to provide a healthy return to investors, utilize underutilized resources of the University, and foster a positive image for the Faculty and UDUS among peers..

### **1.5 The Objectives**

In Phase I, the following are the key specific objectives:

- i. Able to meet partly the rice need of the staff and students in Usmanu Danfodiyo University, Sokoto.
- ii. Achieve an annual paddy processing capacity of **480 tonnes**

- iii. Achieve an annual **Revenue of ₦206,304,000**
- iv. Achieve an annual **Net profit of NGN ₦13,525,584**
- v. To participate in community activities by way of financial contributions to charities and deserving individuals and organizations.

## 1.6 Key Success Factors

- ***Abundance of Raw materials:*** The raw material for the Rice-Mill is Paddy, which is intensively cultivated twice a year by farmers along the Sokoto and Rima riverbanks which are adjacent to the factory. Also, thirty kilometers from the Mill, there is the Goronyo Dam in which paddy rice is also intensively cultivated all year round.
- ***High purchasing power of the University staff:*** Usmanu Danfodiyo University being a tertiary institution is staffed by the high educated and thus high-income individuals. Consequently, the demand for rice will be said to be an *effective demand* in that, the customers are willing and able to buy our products.
- ***Mass purchasing power of the University students:*** Presently, there are tens of thousands of students residing within the University campus. Most of whom cooked their meals, as such with good product and prices, they are expected to patronize our rice products
- ***Exclusive products on offer:*** UDUS Rice Mill Ltd intends to produce 100% sortexed (stones and chaffs free) *Toliya* and low sugar rice in different **branded package sizes**. Both the Toliya and low sugar rice in the markets are not sortexed nor packaged.

- **Direct sales and online marketing:** Presently, rice buyers in the University have to go to the markets or shops for their purchase. UDUS Rice Mill Ltd intends to create a direct marketing approach whereby customers can place their order right from the comfort of their offices and/or homes and have it delivered to them.
- **Competitive Prices:** The expectations have always been that price of rice should come down during harvest periods. However, in Sokoto metropolis this is hardly the case due to the **cartel** nature of the processors in that their union regulates supply thereby keeping prices artificially high throughout the year. UDUS Rice Mill Ltd being an independent producer will set prices competitively.
- **Employee satisfaction:** The success of any business is dependent on the dedication to duty of the workers in the company. This in turn is dependent on the welfare and the conducive working environment provided to them. Therefore, UDUS Rice Mill Ltd intends to provide the company labour force with working tools, training and pay their entitlements as and when due.

## 1.7 The Location

### 1.7.1 Factory

The Rice Mill shall be located at the abandoned Faculty of Agriculture **mechanical workshop** at the permanent site. The locations is prime one considering the following:

- ✓ Existence of structures that can house the rice Mill machineries and storage, thereby saving on constructions of new facilities.

- ✓ Regular electricity and water supply (an absolute necessity for a rice Mill)
- ✓ Closeness to the Illela-Sokoto highway thus facilitating the easy movement of goods and personnel to and from the factory
- ✓ Proximity to raw materials (rice farms along the nearby Sokoto and Rima rivers)
- ✓ Spaciousness that can be used for future expansion at minimum cost
- ✓ Proximity to customers (staff and students of the university)
- ✓ Presence of **large hectare** of farmlands within the complex that can be irrigated using the waste water (and husk) from the factory for high value vegetable and fruits productions.



Picture 1: The proposed location of Mill

### **1.7.2 Administrative Office**

This will be located at Room A1 in the Faculty of Agriculture Complex. The office is located within the reception hall of the complex, this couple with proper displays, will attract the maximum exposure from the public and thus enhanced patronage.

### **1.7.3 Online**

The business, financial and marketing activities of the company will be online. As such a dedicated website / webstore will be deployed for the purposes.

[www.udusricemill.com](http://www.udusricemill.com)

## 1.8 The Sponsors

Table 2: Showing the propose ownership structure

S/N	Sponsors	%	Amount (₦)
1	Usmanu Danfodiyo University	51	6,120,000
2	UDUS Staff Multipurpose Co-operative Society	30	3,600,000
3	A G E 507 and FIS 512 Course tutor and Agribusiness Students of 2021/2022 Session	10	1,200,000
4	Centre for Entrepreneurship Development, UDUS	9	1,080,000
	<b>Totals</b>	<b>100</b>	<b>12,000,000</b>

## 2.0 THE MILLING PROCESS

### 2.1 Rice Milling Process

The process of rice Milling can be grouped into three major process: Pre-Milling, Milling and Post-Milling.

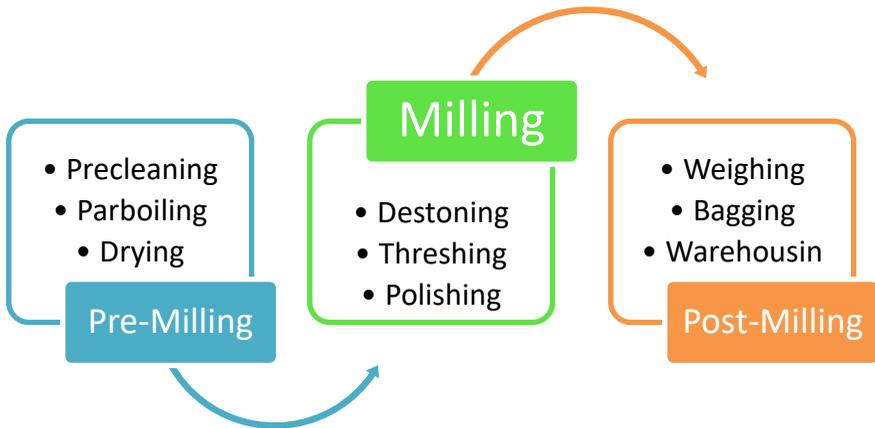


Figure 1: Showing the Milling process in Phase 1

#### 2.1.1 Pre-Milling

The process of pre-Milling can further be broken into three sub-processes namely, Pre-cleaning, Parboiling and Drying

- *Pre-cleaning*: This is the separation of all the impurities in the paddy rice, such as dust, straw, soils, stones, and heavy particles. The advantages of pre-cleaning are that it increases the lifespan of the Milling machines and increases the efficiencies of the Milling process as well as increase the percentage of oil in rice bran.

- *Parboiling*: In this process, the Paddy rice is soaked in warm water at 70°C for 8 to 12 hours. Thereafter, the water is drained, and the paddy is steamed for about one hour. This will result in the shell of the rice beginning to open. This process helps in improving the nutritional quality of the rice grain, while at the same time increasing the Milling efficiencies.
- *Drying*: At this stage, the paddy is dried in the sun for about 8 to 12 hours to reduce the moisture content to about 14%. Drying ensures fewer breakages as well as less discoloration during the Milling process.

### 2.1.2 Milling

This is the process of transforming the paddy rice into white rice for consumption. Although there are varying steps and process involve in the modern rice Milling operations, the process herein describes will be applicable to UDUS Rice Mill Ltd (Phase I). These are:

- **De-Stoning**: This is the separation of stones from the paddy grain. This ensures that the final processed rice is free from stones and unwanted objects.
- **Threshing**: This is the direct removal of both the rice *husk* and the rice *bran* in one pass. In other words *White rice* is produced directly from the paddy.



Figure 2: Showing the Mini Rice Mill with a processing capacity of 300 kg /Hour.

### 2.1.3 Post-Milling

- **Weighing and Bagging:** The Milled rice is weighed and packed into varying sizes ranging from 5kg to 100kg as per market demand
- **Warehousing:** The finished products will be warehoused before onward delivery to customers. The warehousing will enable proper accountability as to the type and quantity of Milled rice produced per production cycle.

### 2.2 Raw Materials and Sources

The raw material for the Rice-Mill is Paddy, which is intensively cultivated at least twice a year by farmers along the Sokoto and Rima riverbanks which are adjacent to the factory. Also, 30 kilometers from the Mill, there is the Goronyo Dam in which paddy rice is intensively cultivated 2-3 times yearly. Consequently, the raw material for the factory is abundant.

Meanwhile, as part of the expansion plan and in order for the Mill to secure an uninterrupted paddy supply at stable prices

throughout the year, it is envisaged that a Paddy Aggregation Company whose main business is to purchase paddy rice during the harvest period and warehoused it will be set up. Thereafter, UDUS RICE FARM LIMITED will be set up to exclusively feed the Rice Mill.

## 3.0 PRODUCTS AND SERVICES

### 3.1 Sortexed, Packaged, Unpolished Rice

Many of the University staff usually buys this type of rice either in 100 kg sizes (*Shantali / Toliya*) or in retail measures (*Mudus*). UDUS RICE MILL LTD will offer this type of rice, however in varying sizes starting from 5kg. Thus, it is envisioned that this will cater to all categories of potential customers (staff, students and caterers). Importantly enough, the rice will be 100% sorted, that is, it will be free from stones, chaffs, and other impurities, unlike the one currently available in the market.

### 3.2 Low Sugar Sortexed Rice

This is the indigenous rice type that is relatively high in nutrition and fiber but most importantly also, have **low sugar contents**. Therefore, many health conscious and health challenged (diabetic) consumers would like to buy this type of rice. UDUS Rice Mill Ltd will therefore Mill this type of rice thereby adding value to it by way of long grain, free from impurities and modern packaging. This type of rice is expected to attract wide market acceptance and command good price from the health conscious and health challenged (diabetic) consumers who presently patronized the imported *Basmatic rice* from India.

### 3.3 Contract Milling

Considering that the Mill will be located at the hub of a major rice producing areas, it is expected that many rice farmers wanting to process part of their produce would engage this company to Mill their rice for a fee.

### 3.4 Irrigation from wastewater

Wastewater from the Milling process will be used to irrigate the existing farmland behind the factory, thus putting the farm under all year production. It is envisaged that high value Fruits and Vegetables will be cultivated therein, thus contributing to the internally generated revenue of the faculty as well as training students on profitable horticultural production.

### 3.5 Rice Bye products

The Milling machines to be install in Phase I cannot separate the bran from the chaff, as such there will be not much value addition on the bran (such as bran oil). Thus, the rice processing bye product will be sold as livestock feed and as organic manure.



## 4.0 THE MARKETS

In Phase I through Phase III, the market for UDUS Rice Mill shall be the Staff and Students of Usmanu Danfodiyo University, as well as the Cooperative societies and Eateries therein. However, in Phase I, the market shall mainly be the senior staff of the University who buys *Toliya* rice.

Table 4 Showing the market segments, population and target.

S/N	Segment	Population	Target	
			Count	%
1	Senior staff Cadre	2160	80	3.7
2	Junior staff Cadre	862	-	-
3	Students (in campus & surroundings)		-	-
4	Restaurants/ Eateries		-	-
5	The health conscious and Diabetics*	367	10	2.7
6	Major Cooperative Societies	4	-	

\*17% of categories 1

### 4.1 The University Staff:

As of March 2022, there are **2160** senior staff members (lecturers and administrative staff) as well as **862** junior staff members in UDUS, all of whom are relatively high income earners with rice consuming households. Presently, they

purchase their rice products from the market and shops, with some from the Staff Cooperative Associations. Therefore, a combination of quality products, competitive prices and home/office delivery services will ensure that a significant number of the staff will patronize this Company.

#### **4.2 Cooperative Societies:**

There are presently four major Cooperative Associations in UDUS. Each of the Cooperatives operates a Shop in which foodstuff especially rice is stocked for members to purchase. Presently, these Cooperatives purchase their stock from the market, as such it is expected they will patronize UDUS Rice Mill Ltd considering the combination of quality products, good prices, and after sales services offered by the Company.

#### **4.3 The University students:**

Presently, there are tens of thousands of students residing within the University campus most of whom cooked their meals. Therefore, the 5 and 10 kg rice packages are expected to be popular with them.

#### **4.4 Restaurant and Eateries:**

Several restaurants exist within the campuses of the University, all of which serve rice as one of their meals on offer. Therefore, a combination of quality products, competitive prices and free product delivery services will ensure that most of the restaurants within the campus will patronize the Company.

#### **4.5 Health Conscious/Health Challenged (Diabetic) Individuals:**

World Health Organisation estimated that about 17% of adult above 50 years of age are diabetic as such cannot eat the normal

rice. Presently, this category of consumers has either skip rice altogether or are using the expensive Basmatic rice imported from India. UDUS Rice Mill Ltd, intends to go into the processing of the indigenous rice type which has been confirmed to be having low sugar, high fiber, high nutrition and excellent taste. This category of staff will be reached out to with targeted marketing.

## 5.0 MARKETING AND SALES STRATEGIES

Considering that the market is well defined and geographically concentrated in one location, the **direct sales approach** will be used to reach our potential customers. In preparation to this, a well-trained sales force known as UDUS SALES TEAM, has been set up. The team will be tasked with the responsibility of selling (on commission basis) the product and services produced by this company. It is envisaged that the following marketing and sales strategies will be used by the team in sequence:

### 5.1 Aggressive Public Awareness Campaign

- i. **Mass Media:** Using attractive billboards and banners as well as the placement of posters and fliers at strategic points to create massive public awareness of our products and services.
- ii. **Personal Campaign:** Flyers, Phamplets, and Direct mail (using the University email service) detailing our products and services shall be distributed to every member of staff in the University.
- iii. **Social Media Campaign:** There exist hundreds of Associations and groupings within the University, such as Unions; Faculties; Departments; Class; tribal; and towns/states. Most of these have a social media account. Consequently, the Admin of each account will be contacted and made to place our advertisements in their groups.
- iv. **Website Traffic:** Make use of our official website in promoting our rice Mill by deploying **SEO** to ensure

that it tops the online search from potential customers.

## **5.2 Build a Qualified Prospects List**

- i. Names and address of all potential customers in the University shall be compiled.
- ii. The list compiled will be qualified by way of profiling the prospects rice consumption, such as the type, the quantity, time, the frequency and the place of rice purchases.

## **5.3 Closing of Sales**

- v. The qualified prospects will be attended to aggressively by way of personal one-in-one contacts, phone calls, targeted advert, and online.
- vi. An *online store* will be set up whereby customers can 24/7 place their orders and have it delivered to them within 16 hrs.

## **5.4 After Sales Services and Referrals**

- vii. With every purchase, a customer will be followed up to hear of any complaints and or suggestions for further improvements in our products and services. This will improve the performance of our brand.
- viii. We will solicit for referrals from satisfied customers to other potential customers.
- ix. Engage in community related programs especially those that would target our students.

## 6.0 MANAGEMENT AND PERSONNEL

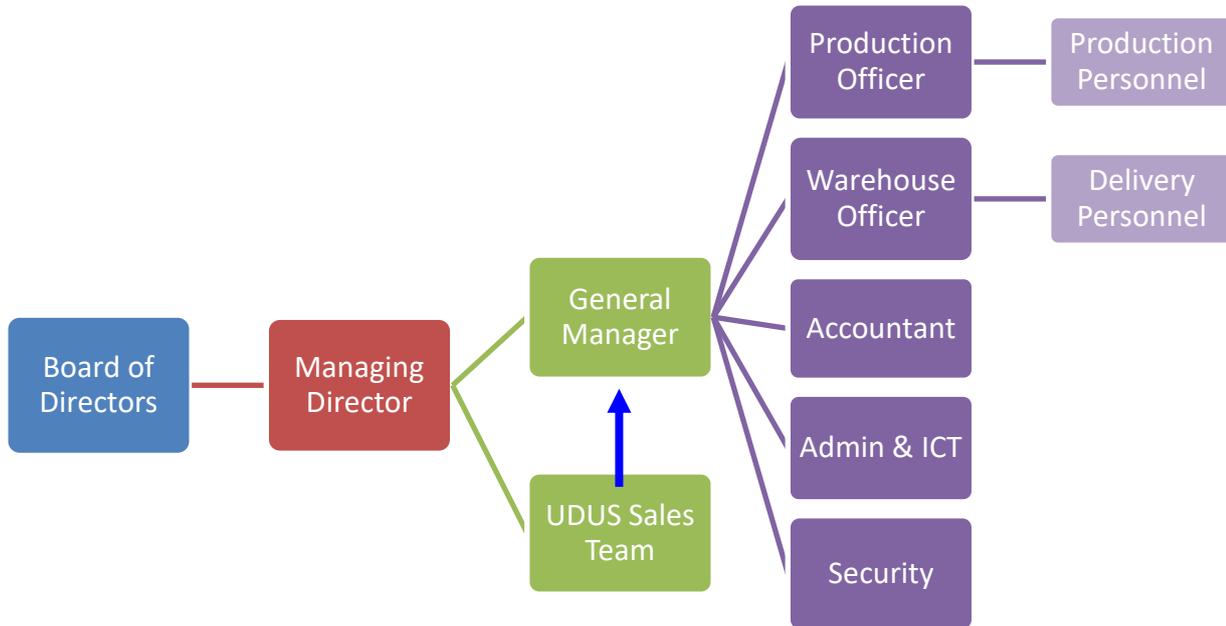


Figure 2 Showing the expected organizational structure of the company.

## 6.1 Board of Directors

The number and composition of the Board membership shall be as decided by the shareholders. The Dean of Faculty of Agriculture, UDUS will chair the Board.

The functions of the Board are to:

- i. The creation of company policies, structure, vision, goals, and objectives as well as company culture
- ii. Recruitment, supervision, retention, evaluation, compensation, and discipline of the company managers
- iii. Draft strategies that would move the company forward and remove or modify strategies that are not working well.
- iv. Fiduciary duty to protect the organization's assets and shareholder's investment.
- v. In charge of the auditing process and hires the auditor.

## 6.2 Managing Director

He is the chief executive officer of the company and a member of the Board of Directors saddle with the following responsibilities:

- i. Prepare a corporate plan and annual business plan and monitor progress against these plans.
- ii. Responsible in ensuring the company remains afloat with a healthy bottom line.
- iii. Ensuring that the financial affairs as well as the accounts of the company are up-to-date and accurate.
- iv. Deploy the *UDUS Sales Team* to ensure the effective sales of company products.

- v. Coordinate the internship training of students in the company.
- vi. Establish and maintain effective formal and informal links with major customers, the University, relevant government departments, and other stakeholders generally.
- vii. Any other task assigns to him/her by the Board of Directors

### **6.3 The General Manager**

Report directly to the Managing Director and he/she is responsible for the following:

- i. See to the day-to-day management of the business, which includes direction, supervision, and human resource issues.
- ii. Responsible in ensuring that bills, taxes, and salaries are paid accordingly.
- iii. Evaluate employees' performances and ensure employee motivations by way of incentives.
- iv. Liaise with the *UDUS Sales Team* to ensure the attainment of company sales target.
- v. Develop and maintain Total Quality Management (TQM) systems throughout the company to ensure that the best possible products and services are provided to customers.
- vi. Develop and direct the implementation of policies and procedures to ensure that the company complies with all health, safety and other statutory regulations.
- vii. Any other task assigns to him/her by the Managing Director

## **6.4 UDUS Sales Team**

They report directly to the Managing Director while liaising with the General Manager and they are responsible for:

- i. Achieve agreed upon sales targets and outcomes within schedule.
- ii. Expedite the resolution of customer problems and complaints to maximize satisfaction.
- iii. Supply management with reports on customer needs, problems, interests, competitive activities, and potential for new products and services.
- iv. Conduct market research and intelligence.
- v. Develop and maintain an effective marketing and public relations strategy to promote the products, services and image of the company in the wider community.
- vi. Operate an Online store.
- vii. Any other task assigns to them by the Managing Director

## **6.5 Production Officer**

He/she report directly to the General Manager, and is responsible for:

- i. Overall management of the production areas
- ii. Coordination of daily operations on the floor of the Mill by allocating tasks
- iii. Supervises Mill workers and be responsible for their performance.

- iv. Selecting, ordering and purchasing of raw materials and other production consumables
- v. Ensures that the Mill production machines are in good working conditions, and reporting maintenance issue to the General Manager.
- vi. Ensures that production operations are performed as per laid down standard.
- vii. Make suggestions on training requirements.
- viii. Complies with the Mill security, as well as ensure that all regulations such as fire and health are strictly adhered to
- ix. Responsible for final inspection of finished products
- x. Corrects whatever faults are found during the Milling process and ensuring that the customer has a better finished product according to the stated requirements.
- xi. Liaising with clients and sales staff as to the type and quantity of production
- xii. Any other task assigns to him/her by the Managing Director

## **6.6 Accountant**

He/she report directly to the General Manager, and is responsible for:

- i. Keeping account books and systems up to date.
- ii. Ensures on-time payment of all invoices.

- iii. Conducts accounting operations that relate to cash handling.
- iv. Ensures that the correct taxes are deducted and paid.
- v. Monitoring spending in line with budgets
- vi. Financial forecasting and risk analysis
- vii. Compilation and presentation of financial and budget reports
- viii. Advising on how to reduce costs and increase profits.
- ix. Ensure that financial statements and records comply with laws and regulations.
- x. Any other task assigns to him/her by the Managing Director

## **6.7 Warehouse Officer**

He/she report directly to the General Manager and is responsible for:

- i. Overseeing the receiving, warehousing and distribution operations.
- ii. Implementing and overseeing security operations.
- iii. Maintaining documentation and keeping accurate records of warehouse activities.
- iv. Assisting with deliveries where required.
- v. Ensures that the warehouse is well secured, clean and ventilated at all times.

- vi. Any other task assigns to him/her by the Managing Director

## **6.8 Admin/Website Officer**

He/she report directly to the General Manager and is responsible for:

- i. All matters administrative.
- ii. Plan, implement, manage, monitor, and upgrade the company's website.
- iii. Create appropriate website content aligned with the company strategy.
- iv. Create strategies to grow subscriber base and web traffic metrics.
- v. Manage office supplies stock and place orders.
- vi. Organize a filing system for important and confidential company documents.
- vii. Distribute and store correspondence (e.g. letters, emails and packages)
- viii. Schedule in-house and external events
- ix. Any other task assigns to him/her by the Managing Director

## **6.9 Production Personnel**

They are directly under the Production Manager and are responsible for:

- i. Preparing the machine before each production.

- ii. Runs the machine according to standard production procedures.
- iii. Responsible for trouble shooting light tasks such as machine breakdown that might occur during production.
- iv. Ensures that regular maintenances are carried out.
- v. Provides relevant information regarding machine to the production manager.

### **6.10 Product Delivery Staff**

He report directly to the Warehouse Manager and is responsible for:

- i. Collecting individual retail order from the sales team and deliver same to the customer designated address
- ii. Helping with the dispatch of large-scale order

### **6.11 Security Guard**

They are directly under the General Manager and are responsible for:

- i. Ensuring that the facility is always secure.
- ii. Scrutinizing all incoming and outgoing traffics
- iii. Submitting security report regularly

## 7.0

## START UP REQUIREMENT

Table 5: Showing the Start-up Requirement

	Descriptions	Qty.	Rate (₱)	Amount (₱)
<b>A</b>	<b>LAND AND DEVELOPMENTS</b>			
1	Renovation of the existing structures			303,000
2	Electrifications			183,000
3	Soaking Tank(5000 kg capacity)			108,600
4	Flooring & Tarpaulin of Drying area			78,000
	<b>Sub-Total</b>			<b>672,600</b>
<b>B</b>	<b>MACHINERIES AND EQUIPMENTS</b>			
1	Ramaje Mini-Rice Mill	1		1,800,000
2	Steam Boiler	1		705,000
3	De-stoner Machine & Motor	1		450,000
4	Grader & Motor	1		1,550,000
6	Elevator	1		870,000
7	Weighing scale	1		37,000
8	Threading (sewing) machine	1		65,000
9	Standing Fan	1		68,000
10	Moisture Content Meter			20,000

13	Logistics, Installation & Training			403,405
		<b>Sub-Total</b>		<b>5,968,405</b>
<b>C</b>	<b>STOCK INVENTORY</b>			
1	100 kg Paddy Rice	100	35,000	3,500,000
2	Logistics	100	1,000	100,000
3	Printed 100 kg Bags and Threads	1000	355	355,000
		<b>Sub-Total</b>		<b>3,955,000</b>
<b>D</b>	<b>BUSINESS INCORPORATION</b>			
1	Development of a Feasibility/Business Plan			50,000
2	Memorandum and Article of Association			10,000
3	CAC Incorporation and FIRS Stamp Duty			206,000
		<b>Sub-Total</b>		<b>266,000</b>
<b>E</b>	<b>ICT</b>			
1	Phone	1		120,000
2	Laptop	1		225,000
3	Website Development & ERP Software			164,500
		<b>Sub-Total</b>		<b>509,500</b>
<b>F</b>	<b>MARKETING</b>			
1	Printed advertising materials			57,500
2	Social Media marketing			29,600
		<b>Sub-Total</b>		<b>87,100</b>

G MISCELLANEOUS

1	Insurances		32,000
2	Contingencies	5%	574,530

**Sub-Total** **606,530**

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**12,065,135**

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## Notes

- **Inflationary Challenges:** The monetary figures reported have certainly most have changed due to the current inflationary trends ongoing in the country. The inflationary pressure is such that even if the figures were to be updated to reflect that of now, by the time the project commences, the figures would have changed. Therefore, it is hereby suggested that the Board should put into play a mechanism that would tackled such
- **Land and Developments:** UDUS Rice Mill Ltd will be established in an already existing structure requiring minor repairs. Hence, the relatively small amount allocated for such an important capital item.
- **Machineries and Equipment:** All the machineries and equipment to be used are readily available either in Sokoto or at most in Kano. The logistics have been factored-in in the estimations. Most importantly, the installation and repair services are very much accessible in the nearby Kalambaina town.
- **Stock Inventory:** The estimated stock inventory is for a one production cycle supply. However, an arrangement will be made with a supplier (or one of the Cooperative Society in the University) that would facilitate the stocking of a one month supply for the company, thus ensuring an uninterrupted supply.

## 8.o PROFITABILITY ANALYSIS

**Table 6: Projected Income Statement**

Descriptions	Units	One Production Cycle				Annual Cycle			
		Qty.	Rates (₹)	Amounts (₹)	%	12 Cycles (₹)	24 Cycles (₹)	36 Cycles (₹)	48 Cycles (₹)
<b>REVENUE</b>									
Sortexed unpolished rice	Kg	5,000	850	4,250,000	98.88	51,000,000	102,000,000	153,000,000	204,000,000
Rice Bran	Kg	4,000	12	48,000	1.12	576,000	1,152,000	1,728,000	2,304,000
<b>Sub-Total</b>				<b>4,298,000</b>	<b>100.00</b>	<b>51,576,000</b>	<b>103,152,000</b>	<b>154,728,000</b>	<b>206,304,000</b>
<b>VARIABLE COST</b>									
Paddy rice	Kg	10,000	360	3,600,000	89.64	43,200,000	86,400,000	129,600,000	172,800,000
Parboiling (Energy)	Kg	10,000	10	100,000	2.49	1,200,000	2,400,000	3,600,000	4,800,000
Parboiling (Labour)	Kg	10,000	5	50,000	1.24	600,000	1,200,000	1,800,000	2,400,000
Electricity	-	1	10,000	10,000	0.25	120,000	240,000	360,000	480,000
Management wages	-	1	100,000	100,000	2.49	1,200,000	2,400,000	3,600,000	4,800,000
Cost of sales	Kg	5,000	5	25,000	0.62	300,000	600,000	900,000	1,200,000
Packaging bags	Pieces	100	350	35,000	0.87	420,000	840,000	1,260,000	1,680,000
Sewing Thread	Rolls	2	200	400	0.01	4,800	9,600	14,400	19,200
<b>Sub-Total</b>				<b>3,920,400</b>	<b>97.61</b>	<b>47,044,800</b>	<b>94,089,600</b>	<b>141,134,400</b>	<b>188,179,200</b>
<b>FIXED COSTS</b>									
Depreciation on fixed assets				95,817		1,149,804	1,149,804	1,149,804	1,149,804
Loan and Interest repayments				0		-	-	-	-

<b>Sub-Total</b>	<b>95,817</b>	<b>2.39</b>	<b>1,149,804</b>	<b>2,299,608</b>	<b>3,449,412</b>	<b>4,599,216</b>
			-	-	-	-
<b>TOTAL COSTS (B+C)</b>	<b>4,016,217</b>	<b>100.00</b>	<b>48,194,604</b>	<b>96,389,208</b>	<b>144,583,812</b>	<b>192,778,416</b>
			-	-	-	-
<b>GROSS PROFIT (A-D)</b>	<b>281,783</b>		<b>3,381,396</b>	<b>6,762,792</b>	<b>10,144,188</b>	<b>13,525,584</b>
			-	-	-	-
<b>TAXES</b>			-	-	-	-
Education Tax	0		0	0	0	0
Company Income Tax	0		0	0	0	0
<b>Sub-Total</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
			-	-	-	-
<b>NET PROFIT</b>	<b>281,783</b>		<b>3,381,396</b>	<b>6,762,792</b>	<b>10,144,188</b>	<b>13,525,584</b>
Return On Investment (Annual)			<b>28.18%</b>	<b>56.36%</b>	<b>84.53%</b>	<b>112.71%</b>

## Notes

- ✚ **Cost:** Paddy rice is the main raw materials and account for about 86% of the Total cost. Thus, the profit efficiency of this company will depend largely on how efficient the raw material is acquired.
- ✚ **Tax Waiver:** The current Federal Government Tax policy is that newly established Agroprocessing companies are tax exempted for the first **five years**.
- ✚ **Social Responsibility:** It is envisaged that this company will be a social responsibility enterprise in that a certain percentage of its Gross Profit will be donate to a charitable cause. The Board of Directors will decide on the timing, the % and the recipient.
- ✚ **Return on Investment (ROI):** The annual rates of return on Investment is maximally projected at about 112%. This implies that the total investment can be recoup within the first year of operations.

### 8.1 Important Assumptions

- i. Calculations are at current prices at the time of compiling the Feasibility report, which may change by the time the project takes off.
- ii. Net realization of Rice from paddy is taken @ 50%
- iii. There is no major disruption in paddy production in Sokoto, Kebbi and Zamfara States
- iv. The Selling price of Milled rice does not crash.

## 9.0 OPENING BALANCE SHEET

Table 7: Opening Balance Sheet

	<b>LIABILITIES</b>	<b>₦</b>		<b>ASSETS</b>	<b>₦</b>
<b>A</b>	<b>Current</b>		<b>A.</b>	<b>Current Asset</b>	
	Suppliers' credits	0		Cash at hand	0
	Unpaid wages & bills	0		Cash at bank	11,734,000
	Bank Loan	0		Inventory: Paddy Rice	0
	<b>Sub-Totals</b>	0		Inventory: Milled Rice	0
				Miscellaneous*	266,000
				Debtors	0
				<b>Sub-Totals</b>	<b>12,000,000</b>
<b>B</b>	<b>Shareholders' Equity</b>	<b>12,000,000</b>	<b>B.</b>	<b>Fixed Asset</b>	
				Land	0
				Machineries and Equipment	0
				<b>Sub-Totals</b>	0
<b>C</b>	<b>TOTAL LIABILITIES</b>	<b>12,000,000</b>	<b>C</b>	<b>TOTAL ASSETS</b>	<b>12,000,000</b>

## 10.0 SWOT ANALYSIS

### 10.1 Strengths:

- *Abundance of Paddy:* The raw material for the Rice-Mill is Paddy, which is intensively cultivated twice a year by farmers along the Sokoto and Rima riverbanks which are adjacent to the factory. Also, 30 kilometers from the Mill, there is the Goronyo Dam in which paddy rice is intensively cultivated 2-3 times yearly. Consequently, the raw material for the factory is abundant.
- *Staple food:* Rice is the main staple food for the people in Sokoto state, as such there will be no shortage in demand.
- *High purchasing power of the University staff:* Usmanu Danfodiyo University being a federal tertiary institution is mainly staffed by the high educated and thus high-income individuals. Consequently, the demand for rice will be said to be an *effective demand* that is, the customers are willing and able to buy
- *Mass purchasing power of the University students:* Presently, there are tens of thousands of students residing within the University campuses. Most of whom cooked their meals, as such they are expected to patronize our rice products.
- *Exclusive products on offer:* UDUS Rice Mill Ltd intends to produce 100% sortexed (free from stones, chaffs etc.) *Toliya* and low sugar rice in different branded package sizes. Both the *Toliya* and low sugar rice in the markets are not sortexed nor packaged.

- *Direct sales and online marketing:* Presently, rice buyers in Sokoto have to go to the markets or shops for their purchase. UDUS Rice Mill Ltd intends to create a direct marketing approach whereby customers can place their order right from the comfort of their offices and/or homes and have it delivered to them.
- *Competitive Prices:* Consumers expectation has always been price of Milled rice should come down during harvest period. However, in Sokoto metropolis this is hardly the case due to the cartel nature of the processors, in that, their union regulates supply thereby keeping prices artificially high throughout the year. UDUS Rice Mill Ltd not being a member of their union will set prices competitively.

## **10.2 Weakness**

- *Small-Scale operations:* At the beginning of operations, UDUS Rice Mill Ltd will operate as a small-scale enterprise as such will not be able to meet the expected demand. However, as we garner experience the company will continue to expand to meet demand.
- *Students Ownership:* The Company is 50% owned by the final year students offering agribusiness as a course. This may cause some challenges as the students graduate. However, it is expected that a mechanism will be put in place to ensure no disruptions occur as the students graduate.

## **10.3 Opportunities**

- *Market Expansion:* UDUS Rice Mill Ltd will be set up to exclusively served the burgeoning market of staff and

students of the university. However, it is expected that the Company will expand to cover Sokoto metropolis and beyond

- *Forward rice value chain linkages:* With time and resources, the Mill will expand its production portfolio to include rice bran processing into rice oil and feed.

#### **10.4 Threats**

- *Unstable Government policies:* Presently, rice farming, processing and marketing are lucrative businesses due to the favourable government policies on rice. This policy may suffer a reversal with a change in Government at the Federal level. However, considering the immense benefits derived by the economy by this policy, it is foolhardy to expect a reversal in policy by any subsequent government
- *Insecurity:* The paddy production areas of Sokoto and Zamfara states are areas that are prone to banditry; as such paddy production may become adversely affected thus putting availability of raw materials at stake. However, the recent commitment by the Government to tackle the insecurity challenges may soon put the situation under control.
- *Competition:* Although UDUS Rice Mill Ltd is coming up with innovations in products and services that will put it ahead of any competition, it is expected that with time, competitors will adapt and effectively challenged the Company.
- *Strike by the University staff:* It is common knowledge that strike by university staff is a recurrent decimal that

at times, leads to the total closure of the university for an extended period of time. With every strike the student market share will crash, but that of the staff will hold steady as food is a NECESSITY.

## 11.0 GAP ANALYSIS

Area		Current State	Target State	Gap	Action Plan
Strategy Gap	Processing Method	Local milling characterized by low processing cost, but Unsorted, unpackaged milled rice	A hybrid processing system that combines low-cost processing system with high quality milled rice	Improved Pre-milling operations	Chaff Powered Steam Boiler
		Industrial Millers characterized by high production cost with a resultant high quality packaged milled rice		Low-cost Milling operations	Modular Mini-Rice Mill Plant
Product / Market	Locally Milled Rice	Exists in 100 kg (unverifiable) Sizes	Availability of fully sorted milled rice in varying package sizes to	Different package sizes	Milling of 100kg, 50kg, 25kg, 10kg and 5kg
		Presence of chaffs, stones		Free from impurities	

		Unbranded	customers		rice in branded package sizes, free from impurities
	Low Sugar Rice	Imported fully sortexed packaged Basmati Rice from India.	Locally milled sortexed, packaged rice in varying sizes.	Packaged, Indigenous milled rice free from impurities	Milling of the indigenous rice type in 10kg and 5kg branded package sizes, free from impurities.
		Indigenous, Unsortexed, unpackaged, brown rice.			

	Single households Sizes	Retail of rice in ' <i>Mudus</i> '	Packaged rice in 5kg and 10kg sizes	Smaller fully sortexed, package rice for single households.	Milling of 10kg and 5kg rice in branded package sizes, free from impurities.

## 12.0 MILESTONES

**Table 7: Showing the important steps in implementations**

Milestones	Dates		Incharge
	From	To	
General Meeting of Shareholders and Board Appointments			Tutor
Development of Feasibility Plan			Tutor
Approval from the Faculty Management			Tutor
Approval from the University Management			Tutor
First Board of Directors meeting and appointment of M D and G M			Board
Incorporation and Tax Registration			Mgt.
Account opening formalities			Mgt.
Funding by Shareholders			Members
Second Board of Directors meeting			Board
Office furnishing and equipping			Mgt.
Factory site renovation			Mgt.
Security arrangements at the factory site			Mgt.
Construction of soaking, parboiling, drying and drainage facilities			Mgt.
Equipment Supply and Installations			Mgt.
Stock supply arrangement			Mgt.
Test running of installed machineries			Mgt.

Health, Insurance and Fire safety arrangements			Mgt.
Third Board of Directors meeting			Board
Graphic design and printing of Logo, bags, etc.			Mgt.
Drafting of Contract and other relevant Legal Documents			Mgt.
Personnel recruitment and Training			Board
Marketing design and development			Mgt.
Website and Online shop set up			Sales Team
Product Delivery arrangements			Sales Team
Pre-operation marketing activities			Sales Team
Fourth Board of Directors meeting			Board
Grand opening			Members
Aggressive marketing activities			Sales Team
Operational Review			Board
Fifth Board of Directors meeting			Board
Extra-ordinary Shareholders meeting			Members

**Tutor:** Course Tutor    **Mgt.:** Management Team    **Members:** Shareholders

### **13.0 CONCLUSION**

It can be concluded that UDUS Rice Mill Ltd will be a profitable enterprise that will earn healthy profit to the shareholders while at the same time generating the much-needed revenue to the Faculty and the University. Most importantly it will cause a paradigm shift in thinking among the students and staff of Usmanu Danfodiyo University on the possibility of becoming employers rather than employees.