



# The Farm Learning Curve

By

Cynthia Mosunmola Umoru

CEO of **Farmshoppe™**

# Reflections

**85%** of your financial success is due to **your personality** and ability to **communicate**, **negotiate**, and **lead**. Shockingly, only **15%** is due to Technical knowledge

- ...Carnegie Institute of Technology

# Early days.....



# Agribusiness

- ◆ Agribusiness promotes food and income security, regardless many farming families are unable to meet their basic household needs.
- ◆ Most agribusinesses today are held back by:
  - Slow adoption of improved technologies
  - Unstable markets.
  - Poor business knowledge among entrepreneurs.
  - Limited contiguous land.
  - Low capital among others.
- ◆ At this rate along with an ever-growing population.
  - It is important to educate farmers on the basic approach to business as well as sustainable land-use systems in order to have a business that will out live its founders.

# Agriculture and Technological Age

- Hydroponic & Aeroponics
- Digital Sensors
- Drones Surveillance
- Fintech & Crowdfunding: FarmCrowdy, CrowdyVest, Thrive Agric, Hello Tractor.
- Mobile Apps: An app called **MbeguChoice** provides farmers with access to drought resistant seeds.
- Agricultural Insurance.

# Larger strides





# Back in the early days



# Innovation and Progress





Pretty M

# Gradual steps



# Opportunities & Areas for Improvement

- Digital farm Mapping
- Irrigation
- Drone surveillance
- Mechanization
- Local Sourcing (Long Term and Short Term)
- E-commerce and Digital Marketing
- Exports

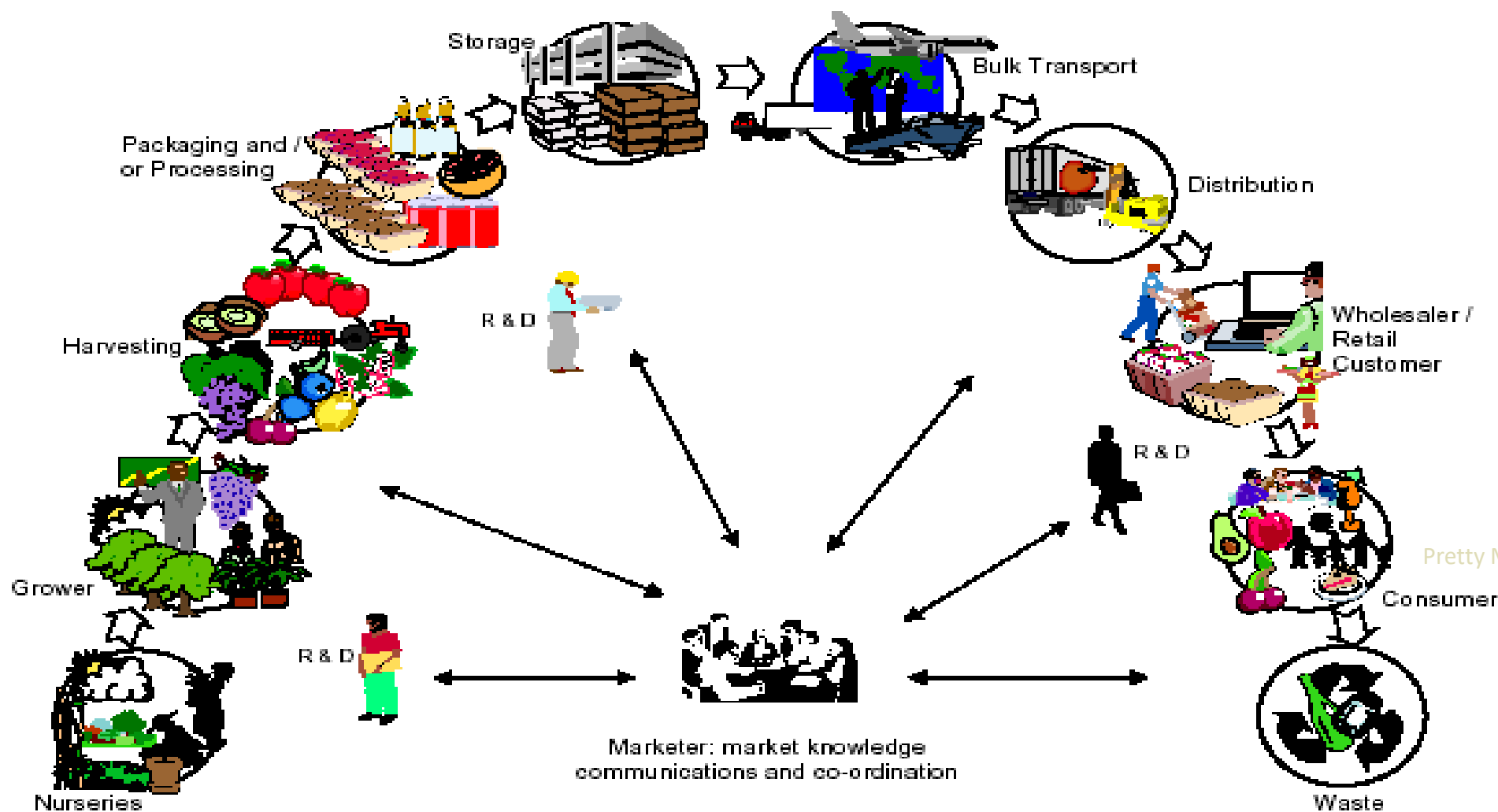
# Getting started

- ◆ Now that you know what you want to do with your business
- ◆ How do you approach it and how do you prepare yourself for it?
- ◆ Agribusiness is much more than just farming the land or producing animals.
- ◆ Many agribusinesses buy or sell their products directly to farmers, but other types of agribusinesses provide services that keep farmers in business.
- ◆ As you start any type of agribusiness,
  - Research your market so you can have a profitable start-up Venture.

# THE STEPS



## Orchard to Market Value Chain



# Opportunities

- Packaging solutions
- Logistics.
- Farm Mechanization & Equipment hiring services.
- Digital and Marketing Solutions
- Health and Wellness
- Nutrition.
- Financial Services.

# The Opportunities deepen.....

Fact



vs



1 barrel of Brent crude oil = \$40.28 = N17,7320 (1\$ : N440)

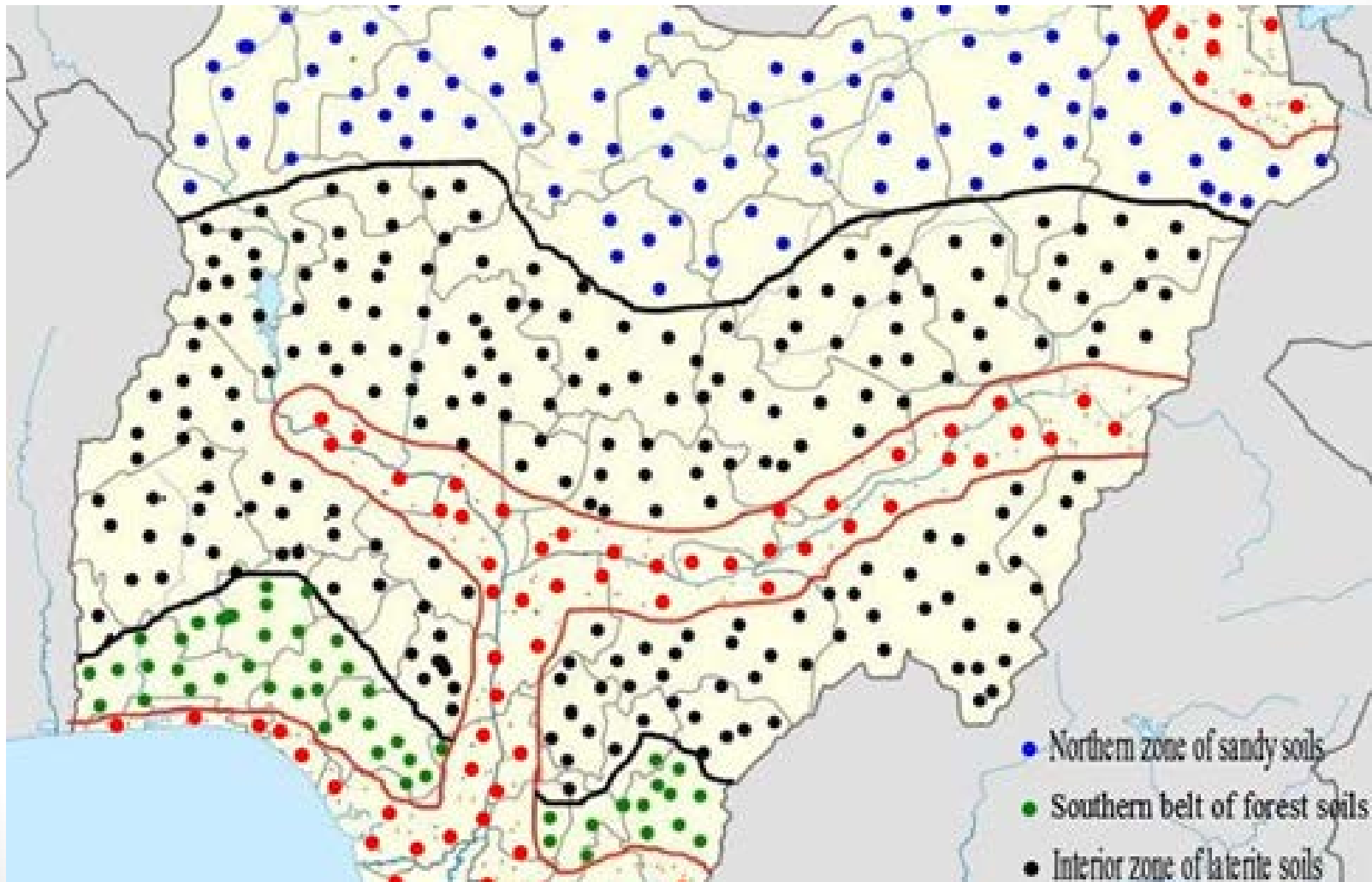
1 barrel of oil = 114kg of potato = 0.114 tons of potato

114Kg of potato = N39,900 = \$114 (N350,000 per ton)

GB Potato industry delivers £947M at the farm gate and £3.8Billion at the consumer level.

Each Kg of Potato is 3 times as valuable as the equivalent oil

# Soil types in Nigeria



The red zone is Alluvial soil

# Step 1: the PLAN

- ◆ Determine what value chain you want to play in - products or services you are going to sell.
- ◆ Create a business plan that allows you to project the profits you intend to make over a number of years. Include in this plan any expenses from supplies, licenses, insurance and other operating costs.
- ◆ Figure in the costs of purchasing or leasing land for your agribusiness start-up as well as any buildings you need.
- ◆ Also include the costs of any equipment necessary in the operation of your farm business.
- ◆ From these expenses, determine how much money you might need to borrow to get your business started.

# Step 2

- ◆ Seek financing from a bank or other lending institution that offers agribusiness loans.
- ◆ Use the information from your business plan to help you get the loan.
- ◆ If you have the capital to start the business without a bank loan, omit this step.

# Step 3

- ◆ Acquire any business licenses you need to operate in your state from the government.
- ◆ Register the name of your business and apply for a tax number from the same office.
- ◆ If you plan to operate the business as a limited liability company or corporation, fill out the paperwork at the State's office as well.
- ◆ Apply for any special licenses you may need at the state and federal level.
- ◆ For example, all food processors must get some degree of certification from NAFDAC.
- ◆ You might need special permits for disposing of farm wastes from the state's department of natural resources and this may vary from state to state.

•

# Step 4

- ◆ Set up your business on the land you purchased or leased.
- ◆ Build or adapt existing buildings to suit the purposes of your business.
- ◆ Purchase the materials you plan to sell to your customers and stock shelves. Buy enough property and liability insurance

# Step 5

- ◆ Develop a marketing plan for your agribusiness start-up that clearly identifies you and your business with a brand or logo.
- ◆ Identify your market and ways you can reach your customers.
- ◆ Think long term as well as short term as you plan marketing strategies.
- ◆ Look for ways to advertise your brand that bring you the biggest return on your marketing dollar.
- ◆ LEVERAGE the digital space EXTENSIVELY.....
- ◆ Place ads in newspapers, radio and television, but also hang flyers on bulletin boards in places where potential customers do business.
- ◆ Hire someone to create a website for your agribusiness.

# Step 6

- Hire employees.
- While no special training is necessary for most agribusiness employees, exceptions may exist.
- Hire people capable of carrying heavy loads if you are selling products sold in 50-lb. bags.
- Choose employees capable of passing tests necessary to obtain any special operator licensing, such as to operate a field sprayer.
- **Train! Train! Train! Constantly**

- Starting a business is easy but making a lasting business is the difficult part.
- Putting all your time and money into a business does not guarantee success.
- As a matter of fact, the more money you invest in a business, the riskier it is.

# Here are a few tips to surviving in business

- Sometimes it can take months or even years to yield profits. A large number of start-ups quickly run out of money, and this can lead into making poor long-term decisions. Try to eliminate every bit of personal unnecessary spending while running your business.
- Work as hard and efficiently as possible.
- Learn from the experiences of others, and do better than them.
- Leave no stones unturned so you will not have regrets.

- Avoid complaining about your difficult customers; rather think of a way to satisfy them so you won't have to complain anymore.
- Take a problem and think of how to turn it into an opportunity.
- Use your profits wisely. Avoid the temptation to spend your profits. Re-invest or save your money for the future.
- Be open-minded to new opportunities and to change.

- Not everything is about money. As a business owner keeping your eye solely on the money can make you lose sight of important things, for example, when trying to cut the cost of production, examine the impact it will have on the quality of your goods and services.
- Having someone that has been through your line of business can help you in getting through tough times. As a business owner, you are bound to face trying times.

- Having a good support system will help you focus on what is important. With that being said, be careful of who and what you listen to.
- Understand delayed gratification, Rome was not built in a day.
- Success can take time, hours and hours of hard work.
- Successful business owners know the value of what they are doing and don't relent on their effort.

# SUCCESS TIPS FROM OUR EXPERIENCE

- Eliminate personal unnecessary spending
- Work hard
- Turn a problem into an opportunity
- Spend profits wisely
- Be open minded
- Pay attention to the quality of your goods and services
- Mentorship
- Understand delayed gratification
- Technology.

# THE BASIC APPROACH TO BUSINESS



Now that you know what you want to do with your business, how do you approach it and how do you prepare yourself for it?



Pretty M

## ACTIVITY...

Think of problems RELATED to Agriculture in your environment and discuss what the best approach to the business will be.

# *Cynthia Mosunmola Umoru*

Email : [prettymissfarmer@gmail.com](mailto:prettymissfarmer@gmail.com)

Twitter: @prettyfarmer

Facebook : Mosunmola Umoru

Instagram: @prettymissfarmer