

AGRICULTURE BUSINESS PLANNING

Chapter 10

Opportunities and Challenges of Running Agricultural Business

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Lecture Overview

- The business of agriculture

Introduction to this chapter:

This chapter presents many agricultural ideas that is applicable ranging from small scale farm land to industry scale farming. At the end of the class, every group will contribute the opinions to define challenges in doing agriculture business.

The Business of Agriculture

It is exciting and diverse. It is changing quickly. It relies on the weather, uses an incredible array of technology, is tied in every way to our natural resources, and embraces the world. If you eat, you are involved in it as a consumer of its final products. If you farm, you are involved in it as a producer of the raw materials that ultimately make their way to the end consumer. It is the extremely efficient, very complex, global, food and fiber production and marketing system.¹

This system is vast and it is fascinating: the next time you walk through your local grocery store, think about the number and type of diverse activities involved in growing, harvesting, transporting, processing, and distributing food. This food production and marketing system is made up of thousands of businesses, ranging from the small cow-calf producer in western Kentucky, to some of the largest corporations in the world. And, it is **management** that drives and directs the firms, farms, and food companies that come together in the food production and marketing system. A retail supermarket, a major corn processor, the local farm supply store, and a family farmer: each have a person or a group of people responsible for making sure that things get done. These are the **managers**. Their titles range from chief executive officer to president to foreman to son or daughter or spouse. However,

wherever they are found within an organization, managers are responsible for assuring successful completion of the functions, tasks, and activities that will determine an organization's success.¹

Recently, agricultural activities are no longer only limited to cultivating and selling raw products. The agricultural sector is also a place for entrepreneurs to continue to build innovations that are able to generate sustainable profits. Some examples of business opportunities in agriculture that have been occupied by entrepreneurs who are expected to provide insight to continue exploring the business potential of the agricultural sector:

- Plant based product
- Botanical beverages
- Supplying spices
- Eco-friendly chocolate
- Renewable technology to confront the food waste
- Selling the technology
- Selling the production inputs
-So forth

Opportunity is not only caused by the dependence of mankind on agricultural products as the main raw material for food and feed for husbandry, but also due to technological advances from the cultivation (farm) level to the commercialization of the product. The technology advanced mentioned in this session is limited to the promise of digital innovation. The digital innovation tends to low the cost at farm until end consumer level².

Top Agricultural Business Ideas:³

Livestock Breeding Business Ideas

Cattle Ranch

A typical example of livestock breeding business is a cattle ranch. An ideal cattle ranch is place where cows, ox, bulls, bullocks, heifers, donkeys, camels, calves et al are reared. Cattle rearing is a big business; meats, skins, milks and manure et al are gotten from cattle ranches. If you have the financial capacity and you are looking towards going into livestock breeding business, one of your major options is to open a cattle ranch. There is a global market for cattle and it is indeed a profitable business to go into. Please note that it takes a lot of hard work and dedication to successfully manage a cattle ranch.

Grass – cutter Farming Business

Grass cutter farming is yet another lucrative livestock breeding business that an entrepreneur who is looking towards making money should consider going into. In recent times, it is now pretty much easier to breed grass cutters in cages, unlike when hunters would have to go hunting for grass cutters. Grass cutter farming is a highly thriving and profitable business in Africa; grass – cutter meat is a good delicacy that is eaten in all parts of the world especially in West Africa and East Africa.

Pig Farming

Pigs breeding business is yet another highly profitable and thriving livestock breeding business that an entrepreneur who is interested in farming should consider going into. Although pork is not consumed in Arab countries and within the Muslim communities, but that does not mean that the pig farming is not a thriving and profitable business venture. Before going into pig farming, ensure that you have done your market survey and feasibility studies so as to ensure that there is a market for pigs in the community you intend building your pig pen.

Fish Farming Business

Another highly thriving and profitable business venture an entrepreneur who is interested in making money from the agriculture industry should consider starting is to go into fish farming. Fish is consumed in all parts of the world; hence there is a large market for fish. Over the years, quite a few people have made fortunes from fish farming, as the population is swelling and protein needs are far outstripping the available supply. Before now, people find it easier to rear only catfish, but in recent time fish farmers can comfortably rear tilapias, trout and salmon fish et al. All you need to get started is a space, tanks or ponds, fingerlings and fish feeds et al.

Goats and Sheep Rearing

As a matter of fact, goats and sheep is consumed in all parts of the world, it is a good source of protein. If you are looking towards starting a livestock breeding business, one of your best bet is to go into goat and sheep rearing. No doubt it is not easy rearing goats and sheep, but one thing is certain, there is a global market for goats and sheep and it is a highly thriving and profitable business to go into.

Rabbits Farming

Rabbits farming is yet another highly thriving and profitable livestock breeding business that an entrepreneur who is interested in the agriculture business should consider starting. There is no law prohibiting the keeping of rabbits in Towns and Cities. A backyard can serve as a good source of additional income, food and employment; thus reducing poverty, hunger and idleness. Rabbit do not compete with humans for food, as kitchen leftovers, cut grasses and formulated or compounded feed can sustain them. Rabbit keeping does not require much capital for investment and maintenance. As little space is needed, most rabbits could be kept in the backyard or in the abandoned sheds.

Dog Breeding Business

Amongst domestic animals, dogs are being considered to be one of the closest companions to human. Dogs breeding business is a lucrative business especially in countries where people value dogs. Dogs are used for hunting, for security as pets, for games and in some climes as a major source of protein.

Snail Farming Business

Snail farming is another interesting, thriving and profitable business venture that an entrepreneur for is interested in making money from livestock breeding should consider going into. As a matter of fact, snail farming requires low start – up capital and anyone who is serious about business can generate good income from the business. Snail meat has been severally affirmed as a most safe and nutritious delicacy.

Poultry Farming Business

Hens, various birds, quails, guinea fowls, ducks et al are all birds that can be comfortably reared in poultry. Chicken and birds are widely consumed in all parts of the world hence there is a large market for poultry farmers. If you want to start a livestock breeding business, then one of your options is to settle for poultry farming. Poultry farming is a highly thriving and profitable business venture. Aside from the fact that people consume birds and chickens et al, supply of eggs is also a major source of revenue generation for poultry farmer.

Bees Farming

It is no longer new that people are now finding it easier to go into bees farming. Honey is gotten from bees and honey is in high demand in most countries of the world. As a matter of fact, people now prefer to use honey as sweetener as against sugar; it is safer and healthier to use honey. Honey is also highly medicinal hence the high demand for honey. If you are considering starting a livestock breeding business, then you should consider going into bees farming. It is a profitable and thriving business venture. Please note that you would have to learn how to breed bees if not, you might not find it funny when you get several stings from bees.

Start a Shrimp Farming Business

Shrimp farming is known to be a profitable business and has evolved from small scale to a global industry in most countries where it's carried out. Countries like United States, China, Japan, Thailand and even South American Countries have been farming shrimps on larger scales for a long while. Shrimp is known as one of the world's healthiest foods and is eaten in all the continents of the world. Its antioxidant and anti-inflammatory content makes it most desirable by those who

are careful about their cholesterol intake. It is classified as a marine creature and it is easy to come by especially in coastal area and riverside.

Agro Leasing & Consultancy

Agricultural Equipment leasing

With the increase in people going into the agricultural business, you can make money from hiring out equipment like tractors, ploughs, sprayers, harvesters and irrigation machines to farmer.

Agricultural Brokerage

You can start a business in agricultural brokerage by linking sellers of agricultural produce with buyers and get commission for it. You can also become a consultant and offer expert advice or organize training and seminars.

Facilitative services (credit, insurance, marketing, storage, processing, transportation, packing, distribution.).

Agro-Farming Blogging

As internet facility is spreading fast, even farmers from remote villages have access to internet. There is a growing need for unbiased, honest advices for farming related activities. People having knowledge and expertise in farming related activities worth consider agro farming blogs

Agriculture Consulting

As with other consulting services, agriculture consulting requirement is surely expected to grow with coming days. People with experience and knowledge on a specified field of farming activity can consider offering consulting services to organizations and farmers.

Landscape expert

This is a personnel who have enough knowledge in the field of landscape architecture. The practice of landscape architecture includes: site analysis, site inventory, land planning, planting design, grading, storm water management, sustainable design, and construction specification and ensuring that all plans meet the current building codes and local and federal ordinances.

Soil Testing Lab

Soil Testing is agronomically sound, beneficial and environmentally responsive tool used for monitoring the nutrient as well as making precise fertilizer recommendations for various crops and cropping sequences ensuring no damage to the environment. Establishing a soil testing lab with a Government certification is one of the most ideal agriculture business ideas.

Export business

An entrepreneur can start export business of farm produce by collecting them from local farmers. One can start this business from home location only having phone and computer with internet connection

Agro – Allied Products And Services Related Business Ideas

Palm Oil Mill

Setting up a palm oil mill is yet another highly thriving and profitable agro allied related business that an entrepreneur can successfully start. There is a large market for palm oil; palm oil is used for cooking and also in the production of pomade et al. Hence, if you considering starting an agro allied related business, you should consider starting a palm oil mill. Please note that it is advisable to set this type of business close to palm tree plantation; with that, it will be pretty much easier for you to get your raw materials – palm kernels.

Fertilizer Distribution Business

Fertilizer distribution business in Nigeria is highly controlled by Government regulation. It is one of the profitable agriculture business ideas one can start with moderate capital investment

Crop Cultivation Business Ideas

Rice Cultivation

Rice is staple food that is consumed in all parts of the world which makes it a good crop to cultivate. If you are looking towards starting an agricultural crop cultivation business and you live in an area (preferably swampy and water logged areas) where the soil composition and the climatic conditions support the growth of rice, then one of your best options is to go into rice farming.

Vegetable Farming

Spinach, lettuce, pumpkin, broccoli, cabbage, and cucumber et al, are all vegetables that are consumed in every part of the globe and can also be cultivated in every part of the world. This goes to show that there is a very large market for vegetables. So, if you are looking towards starting an agricultural crop cultivation business, then one of your options is to go into vegetable farming.

Fruits Plantation

There are several types of fruits that exist. They are such as mangoes, cashew, guavas, oranges, apples, pawpaw, cherry and the list goes on. No doubt there is a large market for fruits and the fact that fruits can be processed into drinks and juice makes it highly sellable.

Reference

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