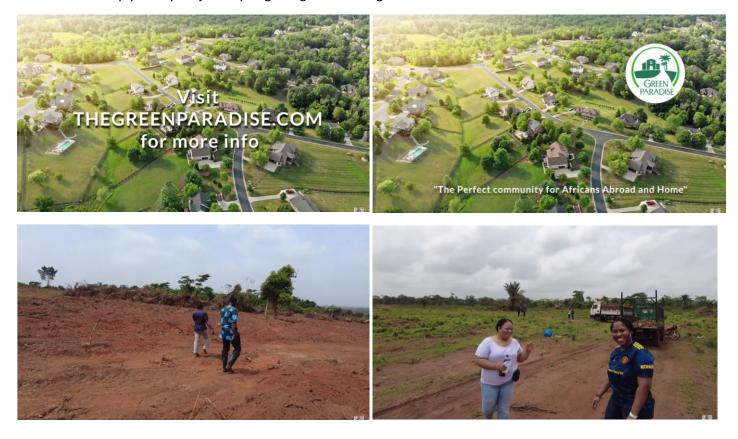


Hey all, I just want to share all the lessons I have learned from my farming project in Nigeria. I hope one or more of these lessons help you in your journey to getting into farming.















1. WATER

- 1. <u>Lack of water</u> caused us to miss the alignment with the planting dates to get the best harvest, this delayed our farming project by about 7-8 months. Before purchasing the land, we should have taken a surveyor for boreholes to go and access the place to see how challenging it would be to dig a borehole on the farm and how much it would cost.
- 2. You need water for the crops, drinking, to spray manure, to make bricks for building a farm manager's house, etc.













2. ACCESSIBILITY

- 3. <u>Accessibility to the farmland</u> is important because of its distance, it will increase the cost of doing business, buying any materials will be higher, transporting goods in and out is higher. Purchase land that is more accessible even at a premium.
- 4. You might need to purchase your own pickup truck for things will be better.

3. FARM MANAGER

- 5. <u>Hire a quality farm manager</u>, you need someone with right character, integrity and knowledge of farming but more of project mgt skills, management skills, human resource skills, budgeting skills, etc.
- 6. Be ready to coach your farm manager and put the correct systems in place for the farm manager to follow and manage your farm system, create the right schedules and monitor & improve the efficiency of the system.

4. LAND CLEARING

For Land clearing with manual labor or machine?



- 7. For a virgin land that's over 5 acres, **hire a bulldozer to clear the land** for you to <u>save time and money</u>. Bulldozer might cost you between N150K-N200K per day, plus transportation to come fees, diesel fees, etc.
- 8. Crops in the Manually cleared space performed better than the place cleared with the bulldozer machine, so have the machine to spread back the top soil and stumps back on the land.



5. PRODUCTION COST

<u>Focus more on your production/operating cost</u>, how much you can reduce the cost of production as against how much profit you can make. Do your cost analysis of what it will cost for the project from step A to step Z, then calculate the profit possible before starting or try to reduce the cost of production ahead of time.

6. SELF SUSTAINABILITY

<u>Look for more self-sustainable way to do things</u>, what can you leverage around your farm to reduce cost. Get manure from your farm or locally instead of buying fertilizer. What can you generate revenue from your cut trees or reuse them in some way? Ask yourself before going out to buy things.





7. TIMING

<u>You need to do things together at the same time to reduce repetition</u>, tracking schedules for things clearing, planting and weeding will make you productive and efficient for large acres.





8. THE END GAME

Always have the end game in mind already planned ahead, think about how much to sell, transport and logistics to selling, are you using off-takers. Do your research about who is buying, how much? What quantity? Are you picking from the farm? Can you commit ahead of time against at harvest time?





9. PEST INVASION

<u>Plan for any possible issues like pest invasion</u>, Monkeys ate so much from the farm. We should have asked and used appropriate techniques. We hired security to monitor the farm.

10. MICROMANAGE

<u>You need to micromanage more in Nigeria</u>, make sure you are there at the start of your projects and then let the farm managers make things go smooth.





11. CONSULTATION

We hired an experienced farm manager and brought in multiple consultants on the first try, each consultant is specialized in the types of crops we were trying to grow. A lesson is to hire them from the beginning of the project and through the project to its delivery from the planting, weeding, manure application, harvesting and off-taking/sales cycle. We now have a consultant on retainer that is guiding us all through the process and support the farm manager.





12. PAY FOR PERFORMANCE

Labor and managing labor are an issue, we need the right pay structure, incentives to motivate our staff and retain good staff for good work, getting local or non-local people, etc. while also trying to save cost. The best way we found for labor structure is to do **contract labor for specific project** (charges higher!) and very **keep a minimal number of salaried staff** monthly.





Only the farm manager and a few local people (stay on the farm for things like maintenance, weeding, security!) are salaried, we use contract labor for everything including our contractors who we pay on a specific project need basis, they hire and bring in the labor to do the work, we verify the work is done and pay them the fees per acre as agreed. This leads to faster work, efficient work and motivated work, we just give them a target and timeframe, then we verify and pay them for the work done. You might need to bring people in from Cotonou to do the farm work too. We now pay more for performance rather that for project activity!



13. HAVE A YEARLY PLAN

Initially step back to let the consultants do the work, then start to optimize the learned process in a yearly plan. Create documentation of all major activity and dates, also track the schedules and process steps well.







Don't buy land that people are already farming on, you might have problems with the current farmer until they complete their harvesting and move away. We usually now tell the seller to get people off the land and clear it before we make the payment, this prevents us having issues.





15. DEVELOP INFRASTRUCTURE FIRST

Always develop all the infrastructure needed (water, farm manager's house, security arrangement, equipment needed, etc) on the farm before you start work on the farm and committed to employees, don't build as you go.

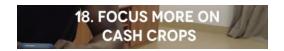


Have a plan to add value to your crops for a better price before the time to harvest. Know what is the best format of your crop to sell? When is the right timing to harvest and sell your crop? What crop is in high demand? An example is for **Corn** where customers prefer dry corn which mean you have to leave the corn to dry longer for a higher price. Customers also prefer shelled dry corn in bags for lesser transportation cost, which you need to do after drying the corn. This has higher demand as against fresh corn. To gain maximum profitability with farming, you need to go an extra step in the supply chain by adding value, not just harvesting and selling the raw material itself. For **Cassava**, have a plan to process it into Starch or Garri before selling for maximum profits. **The profits are in the value-add for the right crops before local sales or exporting!**





You need to have systems in place for post-harvest or off taking



You might want to focus more on growing cash crops (crops that take more than 3-4 months to grow so that you don't have to replant often but keep generating harvest for you yearly) that are more long-term crops instead of short-term crops for maximum profitability. Have patience for long-term cash crops like Cassava, plantain, pine-apple, cashew, palm that will only require low long-term maintenance like weeding. Cassava is a low maintenance, rugged crop that takes about 6-10 months.







19. THINK LONG TERM

We need to have more patience and think long term for the farm. We are currently focused on pine-apple (18 months to 2 years to first fruiting), plantain and Cassava (7-10 months to harvest) cash crops.

20. MANAGE INFLATION

The impact of inflation should be considered, materials are constantly increasing in price. Diesel, seeds, electricity are all increasing in price. You need to quote/price and charge in dollar equivalents to be ahead of inflation even though people can pay in naira.

Hints:

- 1. Learn from consultants and not focus on ideal cases.
- 2. Focus on ROI for your case, do yearly returns to investors instead of quarterly.
- 3. Gathering lots of data is better.
- 4. Be very hands on during the process, get involved, ask questions when on the field.
- 5. Be ready to adjust as you go along.
- 6. Get educated and learn from internet and from other people.
- 7. Rely on people that have done what you need to do on the farm, get consultants on a deliverable basis.