

MIGS GLOBAL HERITAGE LIMITED

Company name: MIGS GLOBAL HERITAGE LIMITED

Hometown and country of company: Abuja, Nigeria

Owner of company: Partnership

Number of full-time employees^[1]: 4

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Table of content:

[Company presentation](#)

[Vision/Mission](#)

[Main revenue streams](#)

[12-36 months objectives](#)

[How does your business contribute to a flourishing local community?](#)

[Community / Family / Self \(What impact does your business have on the world around you, can it contribute to achieve a flourishing Africa\)](#)

[Environmental sustainability](#)

[Missional \(how can your business contribute to spreading the gospel?\)](#)

[Financial performance](#)

[CONSOLIDATED SUMMARY BALANCE SHEET](#)

[Risk Analysis](#)

[Fire](#)

[Diseases and pests](#)

[Security](#)

[Political insecurity](#)

[Corruption](#)

[Details of the loan](#)

Company presentation

MIGS VEGETABLES FARM is a start-up company. The company will carry out high turnover commercial vegetables production in Net-houses and Greenhouses using both the open field and hydroponic farming technique and marketing of high quality produce to a mainly middle class target market.

The farm is located not far from Abuja, the Nigerian capital, and built around efficient technology and Good Agricultural Practices. It will also help in the development, training and empowerment of skilled and semi-skilled staff in the area of modern, sustainable and Good Agricultural Practices.

While Agriculture comprises about 40% of Nigeria's GDP, and employs over 70% of its productive labor force, only 40% of its over 84 million hectares of arable land is cultivated. Consequently agriculture needs to be economically viable by balancing between efficient and productive agricultural enterprise and environmental protection and sustainability.

Vision/Mission

Our vision is to set ourselves up as models that hundreds of young graduates will look upon for mentoring and coaching as they embrace technology-based Sustainable commercial agriculture.

Our mission is to consistently and regularly supply quality and great tasting fresh vegetables (e.g. tomatoes), full of flavor, all year round.

Main revenue streams

Sales of vegetables, Tomatoes, sweet pepper, cucumbers and lettuce to our primary target customers within the Nigerian Federal capital city, Abuja.

12-36 months objectives

- Increase production and sale from 200.000kg to 600.000kg annually in the first 3 years of operations through capacity expansion of our greenhouse from 4000sqm in the first year to 1.5 hectares of greenhouses by the 3rd year.
- Establish strategic relationships with key distributors, wholesalers, and retailers in Abuja and environs.
- Increase gross margins with each expansion of greenhouse capacity.
- Develop dominant market position in and around the capital of Abuja
- Become the sole distributor for our technology partners like Top Greenhouses and Galuku in Nigeria.
- Become a training hub for Good and intelligent agricultural practices for graduates and local farmers.

How does your business contribute to a flourishing local community?

Community / Family / Self (What impact does your business have on the world around you, can it contribute to achieve a flourishing Africa)

Farming in Africa is largely subsistence with crude implements. Most African and Nigerian youth are not attracted to farming because of the tedious nature of the process. At MIGS Farm we wish to make farming both attractive and commercial. We want to be the model when it comes to sustainable agriculture. We therefore plan to train at least 3 agronomists as interns annually and also help the interns start their own farms. This we believe will contribute towards a flourishing Africa.

The business will be a source income and fulfillment for owners. The immediate community will benefit from our farm through the provision of both full time jobs as security guards, farm hands, and as ad hoc farm labor such as pickers, packers and loaders.

as our corporate social responsibility, we have started work on the construction of a footbridge across the river to help the villagers get to their farms without having to risk crossing the rivers. We are also already providing safe drinking water for the villagers from our borehole.

As the business attains profitability, we plan to reinvest a portion of profits into expanded agricultural support programs for farmers in the surrounding community



Through investment in the community, we hope to further align farmer outcomes with the success of our venture and improve the lives of local farmers and the competitive landscape for local agriculture, translating into future returns for our business and a flourishing community.

Environmental sustainability

We are environmentally conscious and promote sustainable conservation activities that will enhance biodiversity within the project. Our field operations will be fully organic with zero chemical additives. While our hydroponic operations will be fully contained with zero ground tillage and environmental pollution.

Missional (how can your business contribute to spreading the gospel?)

Our goal is that our business environment will promote Christian values and also be a ministry for reaching out to people and extending the love of Christ to our customers, suppliers and workers

Financial performance

Year/KPI	2015 (budget)	2014	2013	2012
Revenue	\$74,894	\$104,250	\$66,403	NA
EBITDA ^[2]	\$36,165	\$39,150	\$16,021	NA
Net profit	\$13,684	\$33,000	\$12,202	NA

CONSOLIDATED SUMMARY BALANCE SHEET

Year/KPI	2014	2013	2012
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ASSETS			
Assets (current)			
Cash	\$44,035	\$25,300	\$13,344
Accounts Receivable		\$7,500	\$2,450
Assets (non-current)			
Tools and equipment	\$145,500	\$30,750	\$7,035
Total assets	\$202,035	\$63,550	\$22,829
LIABILITIES AND OWNER'S EQUITY			
Liabilities			
Notes Payable	\$11,478.09	-	-
Accounts Payable	\$88,521.91	-	-
Total liabilities	\$100,000	-	-
Owners' equity			
Capital Stock	\$38,485	\$30,550	\$22,000
Retained Earnings	\$63,550	\$33,000	\$829
Total owners' equity	\$102,035	\$63,550	\$22,829
Total	\$202,035	\$63,550	\$22,829

Risk Analysis

Fire

Annually after the rains people set fires on dry leaves and bushes as a way of clearing or in the process of hunting for wild game. These fires can spread uncontrollably into farms and neighborhoods and wreak havoc.

As mitigation we have set a double perimeter of about 25meters wide on all sides round our greenhouses and other sensitive equipment to protect them from such fires as a first line of defense.

The second line of protection is a 4 meter wide service road (to be laid with gravels) on all sides of the outer perimeter. This will serve as a natural fire extinguisher since it will not be inflammable.

The third line of protective measure is tied to our annual routine activities. This will include mowing all the grass around our fence to avoid wild fires crawling in through our fence.

Diseases and pests

Our production system (the Net houses and greenhouses completely eliminate Pests as a risk factor. Production under cover insulates us from these possibilities.

To a large extend it also protects us from insect and airborne diseases. However it doesn't protect us from soil borne diseases, since our plan is to produce organically on under our net houses. To reduce the risk of the soil borne diseases 30% of our production in the first year is going to be hydroponic in grow bags. This will reduce disease risk significantly.

The next thing is the production practices is planned in such a way that we will have production cycles spread out in small units (2000sq meters each) and assigned to individual farm hands to avoid cross contamination.

Security

There is a high threat from terrorism in Nigeria. Boko Haram is an Islamist extremist group in Nigeria that aspires to establish Islamic law in Nigeria, to destabilise the Nigerian government and to remove western influence from the country. Boko Haram regularly mounts attacks in northern Nigeria. The majority of attacks occur in the northeast, particularly in Borno and Yobe states where Boko Haram has based its operations. There have, however, been a number of Boko Haram-related attacks in other Nigerian states.



Our business operations are located in Abuja, the Federal capital territory. This is actually far removed (900km or 11hrs by road) from the flash point of the Boko Haram crisis. Abuja is also the seat of government and experiences a better level of security.

Political insecurity

Nigeria faces a cyclical political insecurity challenge. This happens in every election year. The uncertainty and tension and threats of violence affect businesses and investments. However, since this is a transient challenge and diminishes soon after the elections, we have decided to plan around this risk by cutting down on our production in the election year or sourcing for alternative market.

We have successfully managed this in the past in other businesses.

It is however instructive to note that the risk differs for different industries. Our experience is that food items tend to sell more during the periods leading up to elections because of political rallies, campaigns and because people tend to stock up food items in the election month. So this can be a positive thing also.

Despite this seeming insecurity issue, Nigeria has had over 16years of uninterrupted democratic rule, and only recently had its first successful change of government from one political party to another. In other words, there's progress and we can hope that things can only improve from here.

Corruption

Although corruption is a problem in Africa and especially in Nigeria there are serious efforts being made to tackle the issue especially with the new governments' hard stance on corruption. However, our business is rooted in our core values of the triple bottom line and our business practices are guided by ethical values.

We therefore plan to institutionalize anti-corruption measures such as:

- Proper payment systems
- Avoiding the use of intermediaries
- Anti-corruption policies and controls.
- Anti-corruption compliance training and monitoring.
- Regular evaluation of the measures

Details of the loan

Size of requested loan: \$100,000

Target payback time: 5years



Reasons for applying for a loan: **Equipment cost, start-up operations costs and overhead for first year.**

[1] Full-time - at least 35 hours/week. Sum up everyone that gets salaries from the company where e.g. two persons working half-time are regarded as one full-time employee.

[2] **EBITDA** (*Earnings before interest, taxes, depreciation and amortization*). Optional information, omit if not easily available