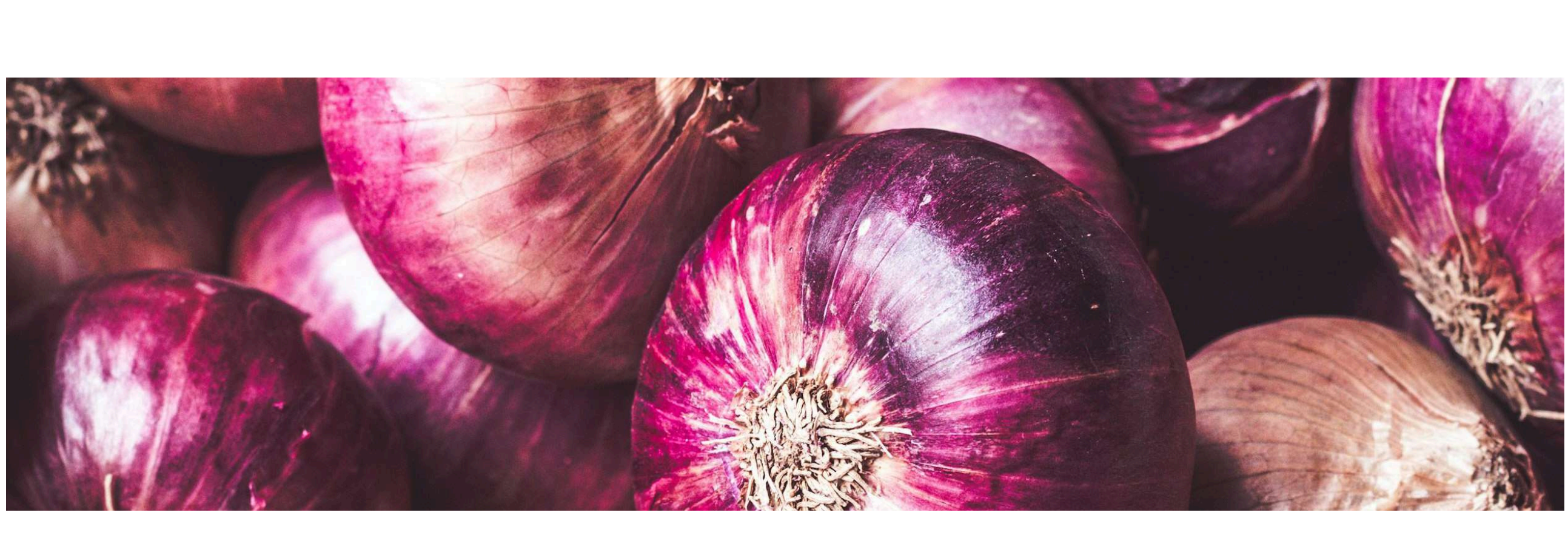


The One-Pager Business Plan (Onion)

The One-Pager Business Plan is presented in bite-size and easy-to-understand language. It highlights the basic insights and considerations that help you decide if and how to engage in agricultural ventures.

Onion in the World

The world produces around 105 billion pounds of onions annually. India is the number one producer of onions, with 26,738 metric tonnes each year, followed by China with 23,660 metric tonnes annually. The United States of America ranks third with 3,621 metric tonnes annually.

Onion in Nigeria

Onions are predominantly produced in the Northern part of Nigeria.

Onion Value Chain

Policy
Government Aid, Multilateral, etc.

Input
Seed, Fertilizer services, etc.

Farm
You-Farm Labour Services, etc.

Processing
Manufacturer, Marketing dist. Export, etc.

Consumption
Industry Consumer, Export Trader, etc.

Calendar Pattern for Onion Production in Nigeria

🟢 Start 🔴 End

Activity	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Field Preparation			🟢							🔴		
Planting			🟢			🔴	🟢			🔴		
Weeding			🟢						🔴			
Fertilizer Application			🟢		🔴	🟢			🔴	🟢	🔴	
Harvest	🟢		🔴		🟢							🔴

SWOT Analysis

STRENGTH: Availability of land, labour and technical know-how.

WEAKNESS: Finances and climate change are weaknesses.

OPPORTUNITY: Growing market due to wide recognition in most homes

THREAT: Global economic downturn, bad weather cum natural disasters (droughts, epidemics), unfavourable government policies and the arrival of a competitor.

PESTLE Analysis

POLITICAL: Agricultural transformation policies to encourage more farmers to produce crops.

ECONOMIC: Economic reforms and a growing market for onions.

SOCIAL: Strong agricultural base and popularity of onions in Nigerians' homes

TECHNOLOGY: Low-complexity technology for the medium-holder, mechanisation and a good spread of digital technology for information and extension.

LEGAL: Relative ease of doing farming business; as little to no licenses or regulation are required.

ENVIRONMENT: Suitable to establish in most states of Nigeria.

Technical Consideration

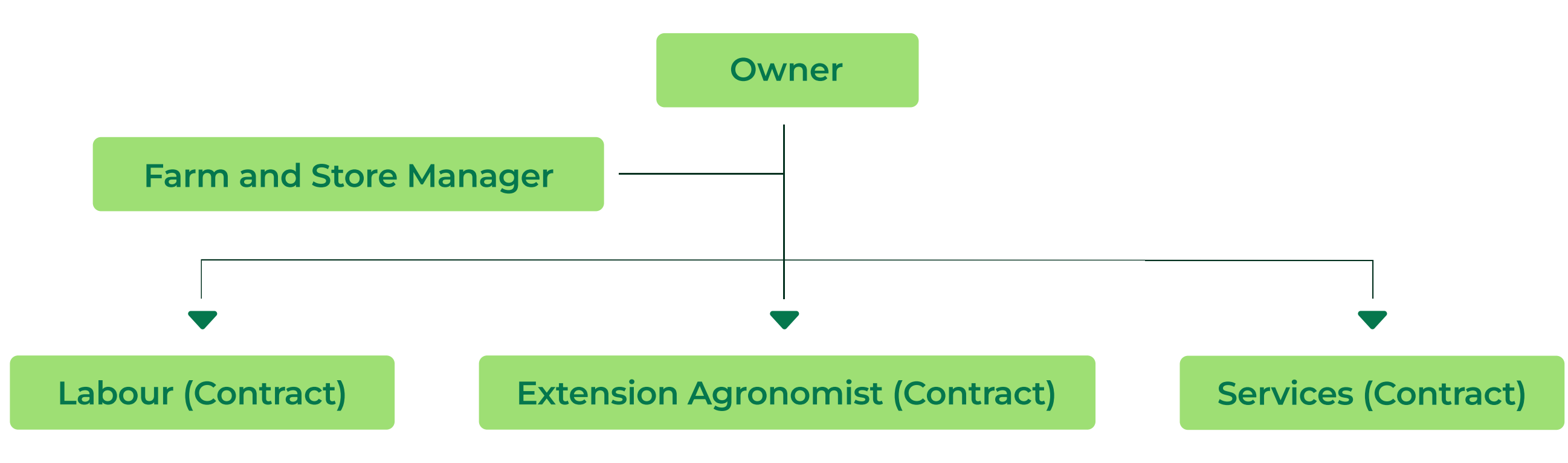
The number of daylight hours is vital in onion production; the daylight length is between 10 and 15 hours. The plants should be nursed properly in the nursery field, at the right temperature range between 20-25°C for optimal performance and a temperature between 15-30°C after transplanting. Avoid planting in clayey soil and waterlogged areas. For rain-fed onion production, ensure the bed is well raised above the ground. The best planting period for rain-fed in the south is between Aug and Sept with adequate disease and pest control, and in the north, between July and August. Onions are mainly propagated by seed at a seed rate of 5-8 kg/ha. The nursed seeds will germinate within 10 days, and transplanting should be done within 5-6 weeks (35-40 days). The onion seedlings' spacing is 8 - 10 cm within rows (intra-row) and 25 - 30 cm between rows (inter-row) at a seedling depth of 3 cm. Maturity is between 90-120 days after planting.

Marketing and Distribution

Pepper can be sold directly to the aggregators at the farm gate or moved to any major market where it is sold to consumers at the market rate. Pepper is a perishable crop. Care must be taken when handling the crop, and the shelf life must be taken into consideration from harvest to sale.

Operations

A medium-holder farm can be managed with a lean operational framework of not more than 5 people, mostly contracts with little overhead cost. Most administrative tools for such tasks as bookkeeping, project management and reporting can be sourced freely.



Owner

Farm and Store Manager

Labour (Contract)

Extension Agronomist (Contract)

Services (Contract)

As farms grow, headcount may increase; however, it is advised to keep operations lean and overhead low by using contract workers for most of the farm tasks while growing capacity in managerial areas.

Risk

Pepper farming at a medium scale is presented with a few risks that can be mitigated with low-complexity considerations and actions.

Environment Unfavourable environments such as land issues, insecurity and pastoralism	**Mitigant** Proper community engagement with legal backing, security assessment for safe areas against theft and insurgencies.	**High Probability**
Technical Poor technical knowledge on onions production	**Mitigant** Obtain training on onion farming and consult the service of an agronomist.	**Low Probability**
Pest & Diseases Outbreak of pests and diseases	**Mitigant** Proper weed control and use of cultural, chemical and biological pest control methods.	**Medium Probability**
Climate Drought or flood	**Mitigant** Use weather prediction information from NIMET; avoid flood-prone land. Make use of irrigation facilities during dry spells.	**High Probability**
Finance Lack of funds or poor funding	**Mitigant** Get adequate finance and credit to complete the production.	**Medium Probability**
Market Product rejection and ripping off by middlemen	**Mitigant** Apply good agricultural practices (GAP), produce based on the market quality requirement, and understand the market and market channels.	**Low Probability**
Pricing Poor pricing of commodity	**Mitigant** Work with other farmers and associations on pricing. Also, you can get a pre-contract agreement with your buyer.	**Medium Probability**

Economics of Production (June 2024)

AgroMall Market Survey

Particular	Description	Unit	Required Unit	Cost per Unit	Amount (₦)
Land	Suitable land with the right climatic condition	Ha	1.00		25,000.00
Land Preparation					
Ploughing	Tilling to loosen the land	Ha	1.00	70,000	70,000.00
Ridging	Making of ridges for the plant	Ha	1.00	67,000	67,000.00
Inputs					
Seed	Certified Onion seed	4kg/ha	35.00	3,000	105,000.00
Fertilizer 1	NPK	50kg Bag	2.00	35,000	70,000.00
Fertilizer 2	Muriate of Potash (MOP)	50kg Bag	3.00	39,000	117,000.00
Fertilizer 3	UREA	50kg Bag	2.00	32,000	64,000.00
Biostimulant 1	Tecan Max	Litre	2.00	7,500	15,000.00
Biostimulant 2	Agriful	Litre	2.00	7,500	15,000.00
Pe-emergence Herbicides	Any herbicides with oxadiazon 25 ECDiuron 50% SC (Force Uron)	Litre	4.00	5,000	20,000.00
Post-emergence Herbicides 1	Oxyfluorfen 24% EC e.g. Albasaforce	Litre	3.00	5,500	16,500.00
Post-emergence Herbicides 2	Oxyfluorfen 24% EC e.g. Albasaforce	Litre	3.00	5,500	16,500.00
Fungicide 1 (seed treatment)	Apron XL, Maxim 4FL, Dynasty	250g Sachet	4.00	3,500	14,000.00
Fungicide 2	Ridomil Gold, Manzate Max	250g Sachet	4.00	3,700	14,800.00
Insecticide	FarMore F1500, Ampligo	30ml Sachet	3.00	6,000	18,000.00
Manure	Manure	Tonnes	3.00	40,000	120,000.00
Total Input Cost					**767,800.00**
Operations/Labour					
Planting of seeds in Nursery	Broadcasting	Ha	1.00	10,000	10,000.00
Transplanting	Mechanised	Ha	1.00	25,000	25,000.00
Gap filling	Labour	Man-days	4.00	2,500	2,500.00
Fertilizer application	Labour	Man-days	5.00	8,000	8,000.00
Insecticide Application	Labour	Ha	1.00	8,000	8,000.00
Herbicide application	Labour	Ha	3.00	8,000	8,000.00
Harvesting	Labour	Ha	150.00	8,000	8,000.00
Transportation		Ha	4.00	20,000	20,000.00
Total Operation Cost					**332,000.00**
Total Cost					**1,099,800.00**
Finance Cost					
Insurance		3%			**32,994.00**
Cost of fund		1%			**10,998.00**
Total Cost of Production					**1,242,774.00**

It is advised that capital expenditure is avoided at this stage and all capabilities are sourced as services.
Labour and services costs vary per state or region and are amortised per hectare.

Profitability of Production (May 2024)

AgroMall Market Survey

Particular	Parameter	Description	Unit	Cost per Unit	Amount (₦)
Profitability / Returns	Total cost of cultivation/ha				1,242,774
	Expected yield(40 tonnes)				40
	Cultivation Cost/ton				31,069
	Market Price/ton	50kg = ₦20,000, 1 tonne = ₦400,000			400,000
	Expected revenue				16,000,000
	Profit margin/ha				14,757,226
	Profit margin/tonne				368,931
	Return on Investment (ROI) %				1287%
	Capital Turnover (CTO) %				92%

Salaries and operating expenses are amortised per hectare.
Profitability can move widely with commodity price movements.

Funding

There are funding sources for medium-scale cocoa farming if capacity and capability are demonstrated.
Typical funding sources from formal financial institutions include:

- **Out growers**
- **Investors and partnerships**
- **Grants**
- **Development interventions**
- **Banks: Microfinance and commercial**

Funding considerations will require that feasibility and viability are demonstrated, some track record in agriculture will also support a positive funding outlook.

Who is Suited for This?

Any interested person who has the knowledge or is ready to acquire knowledge on onion production. The best-suited are agriculture students, graduates, professional farmers, side hustle farmers, and enthusiasts.

Consideration Score

- Viability - **HIGH**
- Feasibility - **HIGH**
- Profitability - **HIGH**
- Ease of entry - **HIGH**
- Aggregate Risk - **MEDIUM**
- Probability for Growth - **HIGH**
- Resilience and Sustainability - **HIGH**
- Aggregate Consideration Score - **HIGH**

Conclusion

Onion farming is a lucrative agricultural enterprise to venture into. Due to its health benefits, it makes onions widely consumed. The farmers are sometimes unable to beat the continuous demands, especially during the dry seasons when onions are scarce, this makes it one of the financially rewarding agricultural enterprises to embark on.