



NAPIER CULTIVATION AND SALE. A SAFE ENTRY POINT FOR NEW AGRIC-PRENEURS?

CSDR 001

Agriculture is increasingly becoming more popular and is currently enjoying support from government in its bid to diversify the economy. More and more young people are investing in agriculturally based businesses. While aquaculture, poultry and crop farming seem to be the more popular entry points, they require high start-up capital, technical know-how and a long learning curve. Like any business venture, agribusiness is fraught with risks and uncertainty more than many other sectors. For a new entrant into the agribusiness space, the cultivation of Napier is a safe entry point. The learning curve is relatively flat, the barriers to entry are limited and start-up capital consists of just land, water and labour for planting and wedding. There is not a more opportunistic time than now to invest in providing alternative cattle feed. With the ban on open grazing being implemented in some states e.g. Benue, the demand for alternatives to open grazing will ultimately grow. Napier is not only a viable alternative; it is nutritious and enables cows produce more milk. New entrants can exploit the opportunity to service a ready market. The current market size is estimated at 12 million pastoralists farmers not counting other livestock farmers.

Below is a simple back of the envelope breakdown for the cost of entry and returns of Napier (see our investment profile on Napier for more details)

Land size requirement



Farmers with access to land minimum of
5 – 10 hectares

Market Size (Independent Expert research)

- An estimate of 12000 cuttings of seedling is required to plant 1 hectare. Price per seedling cutting is N20-30 & three cuttings production of seedlings per hectare will generate 60,000 seedlings per ha, resulting in N1.8 million per ha, per year for three cycles



- 90 - 95%** demand gap for seedling needs to be filled.

- Nurseries required in all states of the country as it is also used in goats and animal fattening

- Each cow needs 10 -20 kg of shredded Napier per day depending on the weight**

- Cut or shredded Napier increases surface area of absorption thus enhancing the nutrient availability for the cow and this increases the feed conversion ratio that results in increase milk yield.

- There are currently few numbers of animals using Napier, this represents a small percentage of lactating animals

3- 4 tons
per annum requirement

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Revenue Stream

- ★ Sale of seedlings
 - ★ Sale of cut Napier grass packaged in bundles, bagged or as pellets
- Cutting services
 - Shredding services
 - Packaging cut and shredded Napier for sale (bagged silage, pelletised and hay)

Revenue Model

Sale of seedlings to pastoralist for homesteads

Supply of seedlings to dairy farms

Sale of seedlings to commercial farmers - suppliers of Napier

Sale of cut Napier grass to pastoralists farmers, dairy farmers

Potential Revenue (based on BIF Pilot with a partner)

For sale of Napier seedlings: Price per seedling cutting is N20-30. Three cuttings production of seedlings per hectare will generate 60,000 seedlings per ha, resulting in N1.8 million per ha, per year for three cycles

For sale of cut Napier as feed: Potential average monthly revenue is N120,000 per day

N20,000 per ton of Napier takes 2 hours

Machine working for 8 hours a day will generate N80,000 per day producing 4 tons

Sale of packaged cut/shredded napier in 50kg bags will be N1,500 – producing eighty 50kg bags per day, generating N120,000 per day

Potential cost of Set up



For Napier seedling sale

- Land rental per ha depends on location
- Initial cost of seedlings per ha is N360, 000

Watering and other operating cost is N400, 000 per cycle, per hectare of irrigated land(there is no need for Irrigation as it can be rain-fed production)



For Napier feed sale

- Operation cost N250,000 including machine services.
- Cutting and Shredding machine cost N750,000
- Premises construction will cost N500,000
- Power generator will cost N450,000
- Operators will be N2,000per day/5 workers

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