GROUNDNUT OIL PROCESSING FACTORY.

BY

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Groundnut is one of the crops that are grown abundantly in Nigeria. Groundnut oil is also one of the vegetable oil that is very high demand. Extraction of oil from groundnut is also one of the projects that can contribute to the economic development of Nigeria. This is the essence of the write up.

Groundnut is grown heavily in the middle belt and Northern part of Nigeria. This means that raw materials for the processing of groundnut oil are readily available. Establishment of groundnut oil processing factory will contribute to the rural sector development, as farmers will be encouraged to produce more because their product can get ready market.

The market for vegetable oil in Nigeria cannot be overemphasized. With the Nigerian population of over 120 million people and vegetable oil being a daily need item, market for groundnut oil in Nigeria is highly un-imaginable. Right now, the supply cannot meet the demand of the people.

Establishment of groundnut oil processing factory will create employment opportunities thereby reducing social vices.

Vegetable oil is one of the chief sources of vitamins and minerals which are meant for the growth and development human beings. In this case, establishment of this project will contribute to physical and mental development of Nigerians.
Northern part of Nigeria has been known for the groundnut pyramids in those days. Groundnut production has contributed tremendously to the development of Northern part of Nigeria because it is both food and cash crop. Encouraging groundnut oil production will return this old glory and feat.

Technology for the production of groundnut oil is very simple to install and maintain. In this regard, various government agencies (State and Federal) can adopt it and install in all rural areas of Nigeria as part of poverty alleviation programme.

**PRODUCTION TECHNOLOGY.**

To produce groundnut oil, groundnut with pedigree to produce oil are procured and brought to the factory. The procured nuts are sorted out and cleaned before being fed into the machine for extraction. The Extracted oil is then refined through the process of filtration and heating. The end product is then collected and packaged in the desired containers. Establishment of this project involves Feasibility study preparation, Procurement and installation of machines in the appropriate accommodation, Recruitment of Personnel and Project commercial take-off. Investors will be readily assisted in any of the above listed steps.

**FINANCIAL IMPLICATION**

It will cost a sum of N4,700,000 to establish the project. The cost is broken down as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Pre-Investments</td>
<td>N 200,000</td>
</tr>
<tr>
<td>2. Plant and Machinery</td>
<td>N 3,000,000</td>
</tr>
<tr>
<td>3. Utilities/Accommodation</td>
<td>N 1,000,000 (Rented Apartment)</td>
</tr>
<tr>
<td>4. Raw Materials</td>
<td>N 500,000</td>
</tr>
<tr>
<td><strong>Total Project Cost</strong></td>
<td><strong>N4,700,000</strong></td>
</tr>
</tbody>
</table>

**PROFITABILITY**

The plant has the capacity of crushing 500 metric tones per annum. A net profit margin of N20,000 per tonne of raw groundnut crushed has been computed. This means that prospective investors can earn annually N10 million by embarking on this project. Serious minded investors can be assisted by the author in the establishment of the project.

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