

# Snail Farm in Africa

Anikó Barcziová

## **Problem:**

The existing big problem for which we are searching and also offering a solution is the significant food deficit in Africa. Snail consumption is part of the local cuisine of Africa. However, its local quantity is decreasing so further import is needed, which leads to price increase.

## **Solution:**

To establish a snail farm, where snails could be farmed locally. With the establishment of the farm we could solve 2 problems. We could provide a missing or a low quantity available product on the market with high demand. Also, we would create new work positions in the labor market.

## **Customer:**

Primarily, our customer base would be the population of the area situated closely to our farm in Cameroon. We would provide our products to the customers through B2B and also B2C channels. It means, we would like to contact local shops and businesses for reselling our products and at the same time our special organic snails would be available to our consumers as well, without a third party, through markets and the little shop at our farm.

## **Competition:**

Currently, we are situated in a lucky situation since we could find a blue ocean market. According to our studies in Cameroon no one is having a business for snail farming. Our secondary competitions would be the natural sources and various import companies. We consider the import companies as our biggest threat, since they can sell the product for

a lower price, due to a bigger amount of snail farming and because of long existence and experiences on the market.

However, there are some secondary competitors like forests, where the snails can be found for free or the international market, from which snails are imported to the country.

### **Comparative Advantages:**

If we would like to compare ourselves with the big import companies. We could say that we are different, since our snails are farmed 100% locally, with no artificial chemicals which make the animals grow faster. We also do not need to pay for extra logistics and transport costs, due to what we can offer them for lower prices than our competition.

### **Strategy:**

Our strategy is to create a farm, where the farming activities can start as soon as possible. We need to find an area which has good access to water and infrastructure. After finding the perfect location we need to find labor forces, who will be needed for the building process of the farm. At the same time legal work has to be done, which can take a few months as well.

In order to make our business more successful, compared to the others situated on the market. We are creating a unique farm, with a significantly high production quantity. This quantity will not have a negative impact on the product's quality. Our customers will always be able to buy the freshest products in the region.

### **Cost Structure:**

Investment costs:

Land: 20 000 USD

Legal and administrative costs: 1000 USD

Building costs- material: 40 000 USD

Building costs- labor: 25 000 USD

Snails- 100 USD

TOTAL: 86 100 USD

Fixed		Costs:
Electricity, water, ...: 200 USD/month		
Salary: 1000 USD/month (200/person)		
TOTAL: 1200 USD		
Variable		Costs:
Extra investments: 500 USD		
Logistics/Transport: 500 USD		
Snail food + other needs: 100 USD/month		
TOTAL:	1100	USD

## Pricing:

### Base price

#### B2C

In our shop:

1 kg of snail... 10 USD

0.5 kg: 7 USD

In case of selling 100 x 1 Kg... 1000 USD income

50 x 0.5 kg.... 350 USD income

#### B2B

Retail:

1 kg snail: 8 USD

0.5 kg snail: 6 USD

In case of selling 200 x 1kg.... 1600 USD income

100 x 0.5 kg... 600 USD

TOTAL: 375 kg snail sold: INCOME: 3550 USD

1. Your cost structure- the cost structure for our product is based on financing our monthly and initial costs, and of course with time to achieve profit. We have checked the average price on the market. Our great benefit is that we are able to offer our products for a lower price, since we benefit from the high amount of snails due to the farming conditions.
2. Competitor's prices. (Industry's supply and demand)- On the market 1 kg snail in 2021 was between 8-15 USD. We have chosen the price of 10 USD, as an average price.
3. Your strategy- Our strategy was to choose a price, not too high but not too low. We would want our products to be available for everyone on the market, however the price won't be the lowest in the area, due to its freshness and local availability.

## **Agency problems**

On the snail farm, the principal agent problem could be observed in the differences of the opinion of the CEO and manager of the local workers on the farm. They both can have different views and goals, which can bring the company to inefficiency and stagnation.

## **Incentives**

Salary, bonuses, competition between employees, social security system, housing system, supporting families with many kids

## Goals

Year	1	2	3
Revenue Goal	\$ 30. 000	\$70.000	\$120.000
Customer Base Goal	3000	6000	9000
Number of Employees	6	10	15
Returning Customer Rate	60%	40%	35%
Number of Shops	1	2	4
Number of Retails	4	12	20