



## **ENTREPRENEURSHIP AND NATIONAL DEVELOPMENT: CONFECTIONERY BUSINESS AS A FOCUS**

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### **ABSTRACT**

*Bread belongs to confectionery industry and it has remained a household food item for years. Bread, a wheat flour product has become a stable food and a significant contributor to the national economy. Starting a bread bakery business has reduced the unemployment rate, provides food security and increased the income of the owners. In Ibadan city, Oyo State, 20 bakeries were assessed with emphasis on the production capacity, year of establishment, Average weekly sales and workforce. It was discovered that more prospective entrepreneur are needed in the bread baking business.*

**Keywords:** Industry, Unemployment, National Economy.

## **INTRODUCTION**

The bread making industry represent a significant indigenous manufacturing activity in Nigeria composing of a number of small establishments located mainly in urban cities in the country. The reason for this is that bread and confectioneries are mostly consumed in an urban setting where elites, educated people and white collar workers usually aspiring to imitate modern western behavior and eating habits life (Edward and Bamiro, 1982).

There is a significant increase in the baking industry in Ibadan, (Oyo State), like any other city in Nigeria and this indicates the importance Nigerians attached to bread as staple food and confectioneries like meat pie, cakes, sausage rolls, doughnut, puff-puff, egg rolls, chases buns etc. as convenient foods in our society today as a source of survival to mankind. This means that bread can conveniently compete with other staple foods like rice, yam, beans, amala on Nigerian tables.

Bread can be eaten at any time of the day as well as can be eaten by adults and young ones, also gender is no barrier to eating bread in our society. Therefore there is high increase in consumption rate of bread daily.

### **HISTORY OF BREAD BAKING INDUSTRY IN NIGERIA**

The Nigerian bread baking industry dates back to 1900 when the freed slaves from Brazil & West Indian setup bakeries in Lagos (Akogun, 2003:3) According to Onyekwere (1977) and Endward (1984), Amos Stanley Wynter Schackelford, a West Indian who came to Nigeria in 1913 introduced the dough brake which produced a well risen, compact loaf that gained popularity among Nigerian consumers and the payment of commission to bread vendors according to the quantity sold and encouraged large scale production by bakers.

Onyekwere (1977:46) and Edward (1984:6) reported that Master Bakers, Confectioneries and Caterers Association (MBCCA) of Lagos was formed in 1950 while Mr. E.A Idowu designed and built a local dough brake in 1954, sold for fifty-five pounds which reduced the burden of bread baking.

There are numerous bread baking industries which started in Ibadan such as Kingsway store bread (now UAC loaf), Leventis Store Bread, Vitas Bakeries Bread etc. but presently many bakeries are located everywhere including Shoprite, Aunties Bread, foodco bread etc.

### **CONTRIBUTION OF BREAD BAKING INDUSTRY IN NIGERIA**

Bakeries in Nigeria mixed dough by working it with the first but the Nigerian made dough brake in 1954 was beginning of indigenous technology. In the words of Edward (1984:1), the invention drastically reduced the capital required for the mechanized industry. This has encouraged many businessmen to invest in bread baking. Increased competition among the bakers has led to the formation of trade union (MBCCA) for the industry.

The introduction of food vendors for bread loaves distribution on commission basis in 1913 stored marketing in bakery products in Nigeria (Onyekwere, 1977) there has been innovations in product design, labeling, packaging and distribution techniques.

The Federal Government of Nigeria ban the importation of wheat flour and established a flour mill in 1962 with the brand name Golden Penny Flour. Later other flour mills like Eagle flour, Supreme flour, Tempo flour etc. started.

According to Adeyemi and Idowu (1990:62), bread consumption rate in Nigeria increased drastically which accounted for the increase of flour and wheat importation from 2, 540 metric tones in 1940 to 1.2 million metric tones in 1983, local production of wheat increased from 21, 000 metric tones in 1980 to 32, 000 metric tones in 1983.

The Federal Government accelerated wheat programme under the National Accelerated Food Production Programme (NAFPP) boosted its local production from 51,000 tones in 1998 to 59,000 tones in 2002 which serves as a source of income to the farmers in the wheat grown state of Borno, Kano, Kaduna, Sokoto and Plateau States (Aribisale, 1993:86; Akogun, 2003:4; CBN, 2002:122).

Bread baking industry has encouraged extensive research work into non-wheat flour for baking by various organizations and institutions which began with the food and agricultural organization (FAO) composite flour programme initiated in 1964 (Nout, 1977:34; Bamiro, et al., 1978:81; Adeyemi & Idowu, 1990:63).

## **METHODOLOGY**

The methods used were observation and oral interview. The researcher visited 20 bakeries in Ibadan city to find out their rate of production annually.

Oral interview and questionnaire was conducted on the proprietors of these bread bakeries to ascertain the objective of the study.

## **OBJECTIVES OF THE STUDY:-**

The objectives of this study are to:-

- To ascertain the viability of establishing a bakery in Ibadan city.
- To examine the challenges and constraints of bread making business.
- To investigate on the contribution of this business venture to the socio-economic development of the country.
- To identify why the business enterprise has not reduced unemployment rate.

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## DATA PRESENTATION AND DISCUSSION ON FINDINGS

Table 1: Ownership of bakeries, Production Capacity, Workforce.

S/N	Bakery	Year Established	Production per day capacity (bags)	Average sales per week ₦	Workforce
1.	Excel Bakery	1984	18	700,000	14
2.	Sweet Bite	1999	20	820,000	15
3.	Ife-Oluwa Bakery	1999	18	700,000	15
4.	Opeyemi Bakery	2000	16	550,000	12
5.	Opemipo Bakery	2000	18	750,000	14
6.	Progress Bakery	1997	20	800,000	16
7.	Ever-Green Bakery	2002	20	780,000	16
8.	Ike-Olu Bakery	2002	20	800,000	15
9.	Joy Bakery	2000	20	820,000	15
10.	Olu Bakery	1999	18	750,000	15
11.	Dominic Bakery	1989	16	700,000	13
12.	Na Allah Bakery	1988	14	500,000	11
13.	Okunola Bakery	2000	20	800,000	15
14.	Ajeniyi Bakery	1999	14	500,000	10
15.	Favour Bakery	2003	20	850,000	14
16.	vigour Bakery	2005	18	700,000	15
17.	Gift Bakery	2001	18	710,000	14
18.	Allahu Lateef Bakery	2004	20	800,000	15
19.	Peace Bakery	2005	20	820,000	15
20.	Ola-Oluwa Bakery	2000	18	700,000	14

### DISCUSSION OF FINDINGS

The researcher observed in the course of this research work that all the major bakeries that started many years ago are still in existence because of the increase in population as well as increase in the consumption rate of bread.

Many flour mills are springing up because of the increase in the establishment of bread bakeries in Nigeria. And the enterprise is reducing the unemployment rate. But assuming more investors or entrepreneurs venture into this area of business it will be better.

#### Financial and economic analysis

- (a) Plant capacity: Consider a plant with capacity to produce 450, 000kg bread per annum. With an operating capacity of 80%, this plant can produce 360, 000kg of bread per annum for sale.

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(b)	Fixed investment	
		N□000
	Land 1000m2	1,000
	Buildings	4,000
	Machinery & Equipments	32,000
	Furniture & Fittings	800
	I.T. Equipment	200
	Van/Vehicles	4,000
	Utilities	3,500
	Pre-Operational Expenses	500
	Total	<u>46,000</u>
(c)	Depreciation	
	Building	2.5%
	Machinery & Equipments	10%
	Furniture & Fittings	10%
	I.T. Equipment & Vehicles	25%
(d)	Estimated working capital	(3 months)
		N□000
	Materials	8,000
	Labour	270
	Management/Admin Salaries	150
	Utilities	500
	Other Admin Charges/expenses	600
		<u>9,500</u>
(e)	Production cost	(one year)
		N□000
	Materials	32,000
	Labour	1,080
	Overhead (variable)	7,920
	Cost of factory output	41,000
	Closing stock	□□□..
	Cost of goods sold	41,000

(f) Projected income statement	
	₦□000
Sales (360, 000kg x ₦190/kg)	68,400
Opening stock	.
Cost of factory output	41,000
Cost of goods available for sale	41,000
Less: closing stock	
Cost of goods sold	(41,000)
Gross profit	27,400
Operating expenses	2,400
Management/Admin salary	600
Utilities	200
Transport	100
Stationery	40
Depreciation	900
Maintenance	500
Miscellaneous	80
Profit before tax	2,400
Profit offer tax	17,500
ROI	31.5%

## CONCLUSION

Bread belongs to the confectionery industry. It has remained a household food item for many years. Many households live on bread as readymade food. Few people spend the extra time to have it toasted before consumption. The consumption is steadily increasing with increasing population. Some large scale food companies such as VAL foods, UTC food, Leventis foods have diversified their food business by going into bread production. Some like shoprite have even introduced bread production into their business venture.

Brand names such as Value Bread, UTC Champ, shoprite, Aunties, Foodco bread are now available.

## RECOMMENDATIONS

- Prospective entrepreneurs can venture into this lucrative business to increase their income, create jobs for others and add to food security.
- Young graduates should be encouraged by relevant bodies like National Directorate of Employment (NDE), NASSI to set up bakery business.
- It is time to develop the infrastructural facilities in this economy, because without these no business can survive. The government is being implored to take it serious on improving the power supply, transportation system, communication and water supply. These will enhance entrepreneurial development in this nation thereby improving the economy.
- Nigeria government should invest on training to change the orientation of people toward entrepreneurship and also create the willingness for risk taking which leads to self-reliance.
- Government should organize workshops for entrepreneurs in order to market their goods in the industrialization programmes.

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