**A FEASIBILITY REPORT / BUSINESS PLAN ON POULTRY AT ABUJA, FCT, NIGERIA BY CAPITAL CITY FARMS VENTURE**

**PRESENTED BY**

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**COURSE CODE:** AFE 202

**COURSE TITLE:** FOOD SECURITY

**LECTURER:** MR. SALAMI ABDULRASHEED

**EXECUTIVE SUMMARY**

Feasibility Study on the establishment of a poultry farm is based on the survey made by Akukwe Michael Lotachukwu, and the business with by wholly owned by him. The name of the poultry farm will be named **CAPITAL CITY FARMS VENTURE** and will concentrate on sales of eggs and table meat bird (boilers).

We will supply birds and eggs to different quick service restaurant in north central Nigeria and our vision is to be one of the known poultry farm product supplier in Nigeria with a mission to raise healthy birds at a very profitable venture.

From the research that was carried out it was discovered that the demand for eggs and bird meat is not fully satisfied around some areas of Abuja, though they are already existing poultry farms operating around borders of Abuja and Nasarawa state environment, the poultry farm will be sited at Nyanya town area in Abuja a neighboring environment to Nasarawa state , there are high demand in some part of Nyanya, Mararaba and some part of Nasarawa. These legal requirements for the establishment of this venture such as local government revenue (tax) per month and security payment (vigilante) per month have been inquired and will be carefully complied with.

The venture will help in providence employment to the locals meeting the demand of eggs and making the price affordable in future, **CAPITAL CITY FARMS VENTURE** intends to develop into other livestock farming structures such as turkey, duck, guinea fowl and quail.

**STRATEGY AND IMPLEMENTATION SUMMARY OBJECTIVE**

* To increase number of our client by 22% within 3 years of existence
* To evaluate our strategic marketing by every three months
* To keep and maintain hygienic farms for healthy eggs and birds

**TACTICS AND STRATEGY IMPACTS**

**CAPITAL CITY FARMS** products will be priced at affordable rate. When a markup is placed on any of our products, customers will be willing to pay because of the affordable price.

The venture to be established is a poultry farm that will concentrate on the production of eggs and sales of broilers, birds because of the fund required the venture will start as a small scale business having the population of three Local Government Area of Abuja, which are Abuja Munincipal, Bwari, Kwali are target market. The farm site will be a permanent land and will need necessary equipment for its operation as it is entirely new firm to start from the scratch.

**OPERATIONAL PLAN**

The firm will be a commercial poultry farm; therefore it will require a full time labour and geared towards productivity on a scale for the sales of egg and sales of broiler birds.

For egg production, birds usually starts to lay at 18-22 weeks of age and continue to lay for Twelve months (52weeks) on average laying fewer egg as the new mounting period. The typical production cycle last about 17 months (72 weeks) and involves three district phases as follows:

**PHASE 1:** Pullets or broilers: This phrase last from 0 – 8 weeks during which small chicks (pullets) are kept separately from broilers.

**PHASE 2 (GROWERS):** This period concerned is between 8 – 21 weeks of age. Growers are the future laying birds and the way they grow up will largely determine how well they do in the laying house. Therefore management during the growing period is very important.

**PHASE 3 (LAYERS):** The laying period is taken to have started when the birds reach 5% egg production on a daily basis. The laying period continues until the birds are sold at the end of a laying period of normal length or are force mounted Housing time starts with the beginning of the laying period. The number of birds housed is the number of pullet in the laying house when egg production starts.

**MARKET ANALYSIS**

Most meals in Nigeria are not complete without poultry output like egg or meat. Nigeria has over 170 million growing population that demand for meat or egg on a daily basis. With increasing awareness on health implication of red meat, they are ever increasing demand for white meat and livestock are source of white meat.

**MARKETING STRATEGY**

As we mentioned earlier, resident and families of three local government of Abuja being our target market awareness will be made by means of advertisement. The advertisement will be made on flyers, handbills, and one on one marketing will be done to eateries, restaurants and companies that demand for our product. Our major market aggression will be supplied to local markets makers of Cake and Ice Cream, Local restaurants and hotels.

**MARKETING**

Marketing activities include among other grading quality, promotions, packaging and value adding these activities are essentials as they will lead to large volume of sales of product quickly as possible resulting to increase of income.

**GRADING**

Eggs should be graded by size and labeled according to its weight. During selection and grading, care must be applied to ensure that weight is uniformed to avoid rejection from customers

**BUSINESS EVALUATION OF FARM/FINANCE**

This evaluation is based on birds i.e. layers and broilers

Layers are those birds that lay eggs while broilers don’t lay egg. This evaluation will be based on 5% normal loss i.e. at the process of taking care of the day old chicks; it is possible to lose 5% of the birds to sickness. Therefore if we start with 1000 birds, it is possible for us to lose 50 birds at the process of rearing them. While broilers if we start with 400 birds it is possible for us to loss 20 birds to diseases at the process of rearing them.

**LAYERS**

If layers are been rear, it takes 18 weeks to start laying egg, if we start with 1000 birds and we loss 5% of it so we have 950 surviving layers and with proper management of feeding and other maintenance of the bird it is possible to get 90% egg production that is 855 per day and 5985 pieces of egg every week. If we loss 1% of the egg that is 60 pieces every week so we have 5925 pieces p/weeks. 197 crates of eggs every week and crate of egg is sold accordingly to its size. Small size ₦500, Medium ₦600, Big size ₦700. Assuming we use medium size, that is ₦600 which result to ₦118,500 sales of egg every week.

After laying eggs for 52 weeks (12months) we dispose the layer and it will be sold at the rate of ₦700 per layers

Therefore, before changing the stock we might have made ₦6,162,000 from sales of eggs and ₦665,000 from the disposal of old layers making a sum total of ₦6,827,000 for the period of 52 weeks (one year)

**BROILERS**

Broilers do not lay eggs but grows to table size when they are from 8 weeks old upward. We are project for 400 birds of broilers and if we have 380 surviving birds sold at the rate of ₦1,500 each, making a total sales of ₦570,000 for the period of rearing the broilers. Making it total sales of (570,000 x 3) ₦1,710,000 for period of 12 months

Total Sales expected for 12 months.

Layers ₦6,162,000

Broilers ₦1,710,000

 ₦**7,872,000**

**CAPITAL EXPENSES**

2 plots of land @ N150,000 ₦300,000

Block 2000 pcs @ 110 ₦220,000

Cement 60 bags @ N1800 ₦108,000

Cement Carriage ₦3,000

Woods ₦151,700

Roofing Sheets ₦126,000

Roofing Slate ₦25,000

Ceiling Slate ₦15,000

Reggie’s ₦7,500

Nails ₦12,000

Net 15 bundles @ N4000 ₦60,000

Iron door ₦43,000

₦**1,071,200**

**SANDS**

Stone Big 2 tipper @ ₦25,000 ₦50,000

Sharp sand (Mayans) ₦20,000

Soft Sand ₦22,000

₦**92,000**

**TOOLS**

Day old feeders 30pcs @ ₦120 ₦3,600

Day old Drinker 15pcs @ ₦200 ₦3,000

Feeders 60pcs @ ₦550 ₦33,000

Drinkers 12pcs @ ₦2500 ₦30,000

Shovel & Head pan ₦2,000

Thermometer (Digital) ₦8,000

Scale (Digital) ₦10,000

Geepee Tank 1500litres ₦23,000

Geepee Tank 500 litres ₦14,000

Nylon 7 pcs @ ₦700 ₦4,900

**WORKMANSHIP**

Carpenter ₦65,000

Bricklayer ₦80,000

Miscellaneous ₦130,000

₦**275,000**

Business Registration ₦20,000

**PRODUCTION**

1000 pullets @ 140 ₦140,000

400 broilers @ 130 ₦52,000

₦**192,000**

**OPERATIONAL EXPENSES**

Feeds, Vaccines & upkeeps ₦1,330,000

Salaries and stationeries ₦240,000

₦**1,570,000**

**SUMMARY**

Capital expenses ₦1,781,700

Operational expenses ₦1,570,000

**TOTAL EXPENSES** ₦**3,351,700**

**TOTAL SALES FOR PERIOD OF 12 MONTHS**

Layers ₦6,162,000

Broilers ₦1,710,000

**TOTAL SALES** ₦7,872,000

**PROFIT = SALES – EXPENSES**

For layers during egg production, the expenses are half of sales of egg will go in for feeds and other operational expenses. i.e. ₦6,162,000 divide by 2

6162,000

 = ₦3,081,000

 2

For broiler the cost of production till the birds reaches table size before disposition is between ₦900 to ₦1000. So therefore let put the bench mark to ₦1000. If ₦1140 broiler is sold at the rate of ₦1500

₦1,710,000 – ₦1140,000 = ₦570,000

The profit of layers for the period of 12 months = ₦3,081,000

The profit of broilers for the period of 12 months = ₦570,000

Total profit = ₦3,081,000 for layer

 ₦571,000 for broiler

 ₦**3,651,000**

**USING PAY BACK PERIOD**

This method talks about the number of period that a business investment will pay back amount invested on it. It is usually shows the number of years it would take an investor to recover the initial cost of investment from the expected streams of cash flows. The payback period can be calculated as thus

PBP = Total Investment

Initial Capital

Using Payback Period of loan generating a profit of ₦3,651,000, 2 years and 8 months.

**FUNDING MECHANISM**

Securing loan at the rate of 8% through government intervention window at the Bank of Agriculture, Bank of Industry and Commercial banks.

**CONCLUSION**

The project is technically feasible and commercially viable. It is therefore recommended for funding.