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A BUSINESS PLAN/ FEASIBILITY REPORT FOR POULTRY FARMING INVOLVING 10000 BIRDS (6000 BROILERS AND 4000 LAYERS) ACHIEVING 6000 BIRDS IN 8 WEEKS AND 900 CRATES OF EGGS AFTER 19 WEEKS AT TIMS FARM, LIFECAMP, ABUJA, NIGERIA BY MENDEL POULTRY CONSULTANCY FIRM.

CONFIDENTIALITY AGREEMENT

 It is understood and agreed to that the below identified discloser of confidential information may provide certain information that is and must be kept confidential. To ensure the protection of such information, and to preserve any confidentiality necessary under patent and/or trade secret laws, it is agreed that:

1. The Confidential Information to be disclosed can be described as and includes:

Invention description(s), technical and business information relating to proprietary ideas and inventions, ideas, trade secrets, existing and/or contemplated products and services, research and development, production, costs, profit, finances and financial projections, customers, clients, marketing, and current or future business plans, regardless of whether such information is designated as “Confidential Information” at the time of its disclosure.

1. The Recipient agrees not to disclose the confidential information obtained from the discloser to anyone unless required to do so by law.
2. This Agreement states the entire agreement between the parties concerning the disclosure of Confidential Information. Any addition or modification to this Agreement must be made in writing and signed by the parties.
3. If any of the provisions of this Agreement are found to be unenforceable, the remainder shall be enforced as fully as possible and the unenforceable provision(s) shall be deemed modified to the limited extent required to permit enforcement of the Agreement as a whole.

WHEREFORE, the parties acknowledge that they have read and understand this Agreement and voluntarily accept the duties and obligations set forth herein.

Recipient of Confidential Information:

Name (Print or Type):

Signature:

Date:

Discloser of Confidential Information:

Name (Print or Type):

Signature:

Date:

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**Executive Summary/ Project Description**

This business plan examines the feasibility of and economic viability of the development of a poultry farming involving 1000 birds (600 broilers and 400 layers) achieving 600 birds in 8 weeks and 90 crates of eggs after 19 weeks at Tims Farm.

 Tims Farm is a start-up poultry farm that will be involved in production of quality and affordable poultry meat and egg and other poultry derivate targeting consumers in North Central, Nigeria and will be located in Lifecamp, Abuja. Tims Farm will be established as a limited liability company owned by Mercy Timothy, Dele Medelu, and other investors. The farm will be managed and directed by Mercy Timothy, a veteran in the Agric Industry with ten years work experience and Dele Medelu, an experienced Agro-allied specialist with over 20 years work experience.

 Tims Farm will sell poultry products, including poultry egg, chickens and poultry litter waste. We will also offer Kill-Cut-Wrap-Freeze (KCWF) services (e.g. traditional cuts in paper or cryovac packaging). Our eggs will be hygienic, rich in protein and of high quality. We will produce, process and package to meet Standard Organization of Nigeria and International Standard.

**Sponsorship**

The project is sponsored by Ayodele Timothy, a business and financial consultant, currently an AGM in NEXIM Bank. He is also involved in promoting the productivity of smallholder farmers in Nigeria through the NEXIM Agricultural Scheme. The Company has a department of agriculture and experts with many years of experience in the project being proposed. Mendel Poultry Consultancy Firm will be responsible for the management consultancy of this project.

**Management**

The management through a democratically elected Board of Directors at the apex of the organization structure include:

1. Mercy Timothy Director/ President
2. Dele Medelu Director
3. Adenike Timothy Director
4. Mobolu Obadeyi Secretary

They are members of the cooperative who have stake in the survival, growth and profitability of the business as well as distinguished agribusiness professionals of proven integrity and vast experience in the project area. The prime objective of the board will be to give strategic directions and policies that will ensure long term success of the organization. The board will ensure that the organization complied with all standards set by regulatory authorities.

The Managing Director/President (Mercy Timothy) shall be responsible for the co-ordination of the day to day management of the cooperative business. She is accountable to the Board of Directors; she will mobilize organization resources to achieve set goals. She will manage business risks and focus on wealth creation.

**Technical Assistance**

NEXIM has working relationship with IITA (International Institute of Tropical Agriculture, Abuja) through an executed MOU. IITA has mandate in Poultry Farming and will provide technical assistance in this regard. The Company also has a working relationship with BOA (Bank of Agriculture). Bank of Agriculture has agreed to finance Agricultural production in which Poultry farming is a major sector, through a loan at 9% interest rate (anchor borrower’s scheme) given to the SME’s (Small and Medium Scale Enterprises).

 NEXIM will fund 50% of the farm while the board will source 30% from Guarantee Trust Bank (GT Bank) at the rate of 12%, the remaining 20% is already made available by the board.

**Market and Sales**

Poultry is a commercial business which helps to maintain part of the economy, it involves meat and egg production, the layers give eggs and the broilers give meat. Also, market and sales is important for the business to grow. Market and sales involves selling, advertising and delivering products to people. The following will be used to achieve this:

1. Selling products to traders at the local market.
2. Delivering products to retailers i.e. product sales to supermarket and restaurants.
3. Products to be marketed and sold to cooperatives i.e. for farmers to stock their major poultry products and sell to others.
4. Other industrial uses :
* Egg- At the time of vaccine preparation, decay eggs are used as fertilizers and animal feed.
* Egg Yolk- At the time of making cake, soaps, shampoos, painting etc. We can use the egg yolk.
* Feathers- In animal feed, pillows, cushions, dusters and like insulating materials are made by the feathers of poultry.
* Egg Shell- Mineral mixed fertilizers, decoration, mosaic, works are made by egg shell.

**Competition analysis**

Kaduna State has 13% of national output of poultry produce while Nassarawa, Kogi and Niger in combination have 27%. Benue State alone produced 30% of national output between 2008 and 2018 while other states produced 30% in total during the period. The five states mentioned above produced 70% of national output within the period. Based on this above analysis, competition in terms of poultry produce in North Central, Nigeria is very high compared to other geographical areas of the country.

**Tariff and Import Restriction**

Forex restriction on food importation and zero duty on imported agricultural equipment will favour the project under consideration.

**Market Potential**

There is strong demand for poultry/ farm produce in the Northern part of Nigeria, thereby making it very viable. The state of infrastructure though not perfect still supports production and trade within Nigeria.

**Profitability**

Weather, biological, chemical, physical and environmental factors such as temperature, sunlight, water, air, pests, diseases, price fluctuations and other risks e.g. avian flu, salmonella, trichomoniasis and other diseases attacking the pen could affect yield and profitability. However, technical, scientific and financial based solutions will be employed to hedge against risks and safeguard profit. Vaccination option will be factored in to ensure high productivity.

**Technical Feasibility**

The project (Poultry farming) is technically feasible. In terms of technology, which involves the use of sensors (environmental, acoustic, movement and health status detector), image technology (e.g. To take image analysis of skeletal disorders and contact dermatitis in broilers, for Infrared Thermal Imaging etc.) and other technical equipment, the process is simple and an experienced Agricultural technologist with more than 10 years experience is part of our team. The needed equipment for poultry production is readily available and our experts have hand on experience in the usage and maintenance of the equipment.

On the poultry production, we have specialists in poultry nutrition, hatchery assisting, quality control, poultry health, breeder management, sales/ marketing, food science, pharmaceutical, genetics, live production management and accounting as part of our management team. The state of infrastructure around the Farm and generally in Abuja is adequate and suitable for the location of the farm/firm for efficient production and marketing. Poultry products will be produced and sourced locally.

The major competitors in the North Central are Fensals, Nikkie and Famo Farms with the Pollo Organic, Desired Haven and Healthy Poultry Brands respectively. Pollo Organics produce 50 birds and 35 crates per day in Benue, Desired Haven produce 35 birds and 20 crates in Kaduna while Healthy Poultry produce 20 birds and 12 crates per day in Abuja, Tims farms will target a market niche and penetrate through cooperative societies to make our brand popular. From our analysis, integration of production will give us a competitive advantage.

We are planning to implement our project using best international practices, sustainable production and due consideration for the environment.

**Government Support and Regulation**

The project conforms to the production of local agricultural products which is an objective of the government. It also supports foreign exchange and import reduction conservation of government. It creates economic opportunities, market access, improved income for farmers and support food security objective of government. The project will benefit from government intervention fund in the agriculture sector. The project will also benefit from the favourable policy of zero duty for agricultural and equipment import. Restriction of Forex for all food products will also widen market opportunity. The project will contribute significantly to employment, output increase, stable price and stable exchange rate.

**Project Timeline**

The project will be completed within 6 months preferably between March 2021 and July 2021.

**Estimated Project Costs and Revenue**

 **Fixed Cost**

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity** | **QTY** | **₦** | **K** |
| Land Purchase | 5 Plots | 125,000,000 | 00 |
| Construction Cost |  | 70,000,000 | 00 |
| Farm Equipment |  | 15,000,000 | 00 |
| Vehicles (Trucks and Delivery vans) | 2 trucks and 2 vans | 24,000,000 | 00 |
| **Sub Total** |  | **234,000,000** | 00 |

 **Operating Cost**

|  |  |  |
| --- | --- | --- |
| **Working Capital** |  |  |
|  |  **₦**  | **K** |
| Poultry Feeds |  3,700,000  | 00 |
| Poultry Medication |  2,500,000  | 00 |
| Phone and Utilities (Gas, water and electricity)  |  700,000 | 00 |
| Cost of Insurance | 1,300,000  | 00 |
| Marketing / Promotion cost |  400,000  |  00 |
| Legal Licensing | 800,000 |  00 |
| Cost of Birds  |  4,000,000 |  00 |
| Cost of Stationary/CCTV Installation | 1,300,000 | 00 |
| Wages/Salary (First 3 months) |  2,400,000 |  00 |
| Cost of Opening Party |  200,000 | 00 |
| Logos and Flyers |  75,000 |  00 |
| Cost of Hiring Business Consultant |  150,000 |  00 |
| Miscellaneous | 1,300,000 | 00  |
| **Sub Total** |  **18,825,000** | **00** |
| **Total** |  **252,825,000** | **00** |

 **REVENUE**

|  |  |
| --- | --- |
| **Per sales:****1 bird @ ₦3,200****1 crate @ ₦800**  |  |
|  |  **₦ K** |
| **Bird revenue per sale after 8 weeks** |  **19,200,000 : 00**  |
| **900 crates of egg per week** |  **720,000 : 00** |
| **Revenue Generated** |  **19,920,000 : 00** |

**Funding Mechanism**

|  |  |
| --- | --- |
|  |  **₦ K** |
| **Funds from NEXIM**  |  **125,000,000 : 00**  |
| **Funds from GT Bank** |  **75,000,000 : 00** |
| **Cash at Hand** |  **55,000,000 : 00** |
| **Total** |  **255,000,000 : 00** |

Bank of Agriculture will finance Agricultural production in which Poultry farming is a major sector, through a loan at 9% interest rate (anchor borrower’s scheme) given to the SME’s (Small and Medium Scale Enterprises).

 NEXIM will fund 50% of the farm while the board will source 30% from Guarantee Trust Bank (GT Bank) at the rate of 12%, the remaining 20% is already made available by the board.

**Conclusion**

The project is technically feasible and commercially viable, generates employment and also adds to economic growth. It is therefore recommended for funding.