

NAME: AGWU JUANITA CHIDINMA

DEPARTMENT: PHARMACOLOGY

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Question

Prepare a business plan on a chosen agricultural enterprise following the guideline in the note. Spiral bind and submit upon resumption. Minimum of five pages, times new roman size 12 with double spacing.

A BUSINESS PLAN FOR THE DEVELOPMENT AND ESTABLISHMENT OF FISH FARMING/FISHERY AGRICULTURAL ENTERPRISE AT STEVARON CATFISH BUSINESS, ASABA, DELTA STATE, NIGERIA BY AGWU AGRIBUSINESS VENTURES AND CONSULTANCY CONFIDENTIALITY AGREEMENT

DESCRIPTION

Fishery: Fishery could be referred to as the systematic study of the occupation or the industry committed to the production, processing, marketing and distribution of fish. It may be large commercial fisheries, recreational fisheries or small subsistence fisheries.

It also refers to the aspect of fish production that encompasses the trapping, growing, management, harvesting, preservation, processing, utilization, distribution and marketing of fish and fish products.

Fish farming: Fish farming or Aquaculture is related to the cultivation of both aquatic animals and aquatic plants. Aquaculture is a science that involves all aspects of marine life. Aquaculture is a business that involves the production and marketing of shrimps, oysters, and

other animals. It involves the rearing of fin-fish, shell-fish and plants. Examples of fin-fish are tilapias, catfish, carps mullets etc.

INDUSTRY ANALYSIS

The fish industry involves the cultivation and marketing of fish in a controlled environment for all or part of their life cycle. The catfish industry in Nigeria is one of the fastest growing segments of the agriculture fish market today. The growth potential for the catfish market is at its strongest level ever. The demand for catfish is increasing due to the ever-increasing health consciousness of consumer. Per capita consumption of fish in Nigeria has increased geometrically. These increases in demand are stressing the world's natural fisheries, which are generally considered to be at or near their maximum sustainable yield, thus increasing the demand for the catfish raised in aquaculture facilities. Not to mention the increasing demand in our society for locally grown products.

EXECUTIVE SUMMARY

Stevaron catfish business will be established to meet the fish demand in the community. It will be located at Joel Felix drive off Okpanam, Asaba, Delta state. The main economic significant of the business is to contribute towards narrowing down the fish demand-supply gap deficit in Nigeria as well as the supply of proteins and micro nutrients for feeding the teeming population Delta State, South-South and Nigeria at large. The business would be managed by Emmanuel Stephen, Hezron J Shinga and Valio Jacob who are all part of the management team. They are all experienced in the field of fish farming and have managed different businesses across the state. The catfish industry is a lucrative business as the demand for fish in the country is growing geometrically, the opportunity to expand is necessary because of the growing demand for fish and due to some health benefits attached to consumption of fish

as compared to consumption of meat. The business will be a partnership with all partners required to contribute capital according to agreed percentage (40%, 35%, 25%) respectively. The risk of the business is mainly getting a market and the target market has already been identified . The cost benefit analysis of this plan shows that in the startup year, with 1700 fingerlings in stock and projected sales of 1500 adult fish in one circle which is half a year, N1, 000,000 would be made. This implies that about N2,000,000 is realisable annually for two (2) production cycle with a return on investment of 100% which indicates that the project is very much feasible, viable and very much profitable and as such, worth investing.

Detailed market research have been done and a hundred hectares of land have been secured to start the fish and seafood aquaculture business. The fish and seafood farm is going to be standard fish and seafood farm hence will be involved in raising and harvesting fin-fishing (e.g. catfish, trout, tilapia and minnows) and raising and harvesting shellfish (e.g. clams, oysters, crustaceans, mollusks and shrimp). The purpose of this business plan to the Fish and Seafood Aquaculture industry is to contribute to national food production and also to make profit. Process and strategies have been put in place in order to help employ best practices when it comes to fish and seafood farming processes as required by the regulating bodies in Nigeria. At Stevaron Catfish Business, the customer's best interest will always come first, and everything will be guided by values and professional ethics.

It will be ensured that personnels hold themselves accountable to the highest standards by meeting the needs of customers precisely and completely.

SPONSORSHIP, MANAGEMENT AND TECHNICAL PARTNERS

SPONSORSHIP

The project is sponsored by the following individuals; Emmanuel Stephan, Hezron J, Juanita Agwu and Valio Jacob. They are also promoting the productivity of smallholder farmers in Delta state.

MANAGEMENT AND TECHNICAL PARTNERS

Chief Executive Officer – CEO:

- Increases management's effectiveness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results; developing incentives; developing a climate for offering information and opinions; providing educational opportunities.
- Responsible for providing direction for the business.
- Creates, communicates, and implements the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.
- Responsible for signing checks and documents on behalf of the company.
- Evaluates the success of the organization.

General Fish and Seafood Farm Manager:

- Responsible for the planning, management and coordinating all farm activities across the various sections on behalf of the organization.
- Supervises other section manager.
- Ensures compliance during project executions.
- Provides advice on the management of farming activities across all section.

- Responsible for carrying out risk assessment.

Accountant / Cashier:

- Responsible for preparing financial reports, budgets, and financial statements for the organization.
- Provides managements with financial analyses, development budgets, and accounting reports; analyzes financial feasibility for the most complex proposed projects; conducts market research to forecast trends and business conditions.
- Performs cash management, general ledger accounting, and financial reporting for one or more properties.
- Responsible for developing and managing financial systems and policies.

Sales and Marketing Manager

- Manage external research and coordinate all the internal sources of information to retain the organizations' best customers and attract new ones.
- Responsible for handling business research, market surveys and feasibility studies for clients.
- Develops, executes and evaluates new plans for expanding increase sales

Field Workers:

- Responsible for feeding fish and seafood as instructed by the supervisor.
- Responsible for cleaning the ponds and the entire fish farm environment.
- Changes the water in the pond as instructed by the supervisor on a regular basis.
- Handles fish and seafood farm implements and machines (hatchery) as instructed by the section manager / supervisor.

- Responsible for raising and harvesting fin-fish.

EMMANUEL STEPHEN

He's a graduate of Accounting, who underwent extensive training and courses on fish farming (Growing, production and sales). He is an experienced entrepreneur who has co-ventured the startup and financing of many businesses. He is also an experienced business man and has helped established manager businesses. He would function as the firms Operations Manager.

HEZRON . J. SHINGA

He's also a graduate of Accounting and also underwent extensive training and courses on fish farming (Growing, production and sales). He has experience from working at a Fish farm in Bayelsa. He has shares in SEN farms one of the largest farms around. He would function as the firm's general manager.

JACOB VALIA

She's a graduate of Accounting from Federal University Kashere. She has undergone training at the Fish Culture Development Training Course. She would serve as the firms Administrative Head. The atmosphere of the business will encourage free thinking and teamwork.

MARKET AND SALE

We are quite aware that the reason why some fish farming companies hardly make good profits is their inability to sell off their fish and seafood as at when due. Our sales and marketing team will be recruited based on their vast experience in the fish and seafood

aquaculture industry and they will be trained on a regular basis so as to be well equipped to meet their targets and the overall goal of Stevaron Catfish Business. Over and above, we have perfected our sale and marketing strategies first by networking with agriculture merchants and businesses that rely on daily supply of fish and seafood that are likely to become our customers. In summary, Stevaron CatFish and Seafood Aquaculture, LLC will adopt the following strategies in marketing our fish and seafood;

- Introduce our business by sending introductory letters alongside our brochure to stake holders in the agriculture industry, households, hotels and restaurants and agriculture produce merchant et al.
- Advertise our business in agriculture and food related magazines and websites
- List our business on yellow pages ads
- Attend related agriculture and food expos, seminars, and business fairs et al
- Leverage on the internet to promote our business
- Engage in direct marketing
- Encourage the use of word of mouth marketing (referrals)

COMPETITION ANALYSIS

Our main competitor in this fish farming business is the importers of frozen fish. From our analysis, the cost per kilogram of frozen fish, popularly called ice-fish is N750, to achieve this, weighing three units which give a kilogram of and a unit of that size of fish bought for N250. Currently, the catfish is sold to main distributors at N500 per kilogram, and it is retailed at N600 per kilogram, this makes it reasonably cheaper, survey data has shown that the catfish is preferred to the frozen ice-fish in taste and nutritional value. For other competitors in the cat fish market, we have a considerable advantage, being that fish farming is our passion and our farm is situated right within reach and the market premises which

makes supervision easier and effective. We the business partners as the sole equity owners and also the ones to provide most of the factors for the production as land the location and climate of the area is very suitable for fish production. The business has relatively low overhead expenses with few staff presently to match current production capacity.

TECHNICAL FEASIBILITY, PROJECT ENGINEERING, RESOURCES AND ENVIRONMENT

Environment:

The environment for growing your fish farm is ideal for business to thrive.

When selecting the location for your fish farm, you need to consider it's proximity from the nearest town, the security in the vicinity, the presence or absence of fish prey, and more.

And also, the source of water supply to the fish ponds is important to proper development and maturity of the fish farm for commercial use. It's important to have a proper borehole system built in the vicinity to ensure a reliable source of water supply. This gets even more crucial with the fact that the water would have to be changed on a regular interval, and a lack there in, of proper adequate water supply to ensure the survival of these fishes, would lead to a considerable loss in investments. It is important to know that rain water and chemically treated water are totally out of the fish farming process. They're unsafe for the fishes, and cannot be recommended for standard use.

A steady flow of fresh water will be gotten, so the pond can thrive.

Pond Planning, Size, Design, Construction, And Consideration (Project Engineering):

The type of pond needed would be determined. For a levee-type pond, a flat area that has access to a well could be used. But for a watershed pond, steeper areas near a natural source of water are to be used. We would contact the services of an aquaculture consultant. They'd get the full requirements, examine our goals, determine what we truly need, and ensure that the construction work and general requirements of the fish ponds are properly met.

Technical feasibility/Storage: How the fishes feed and other items are stored, has to be considered and set up right from the onset. The feeds would be stored in a cool and dry place.

The project (fish production) is technically feasible. In terms of technology, which involve the production of fish feed and crushing of ingredients together to produce fish feed and extraction of fish oil, the industrial processes are simple and a specialist in oil extraction with more than 20years experience is part of our team.

GOVERNMENT SUPPORT AND REGULATORY POLICIES

With the governments around Africa currently embarking on a large campaign to motivate the people on the continent to invest in agriculture with attractive capital incentives, it only makes this moment a perfect time to consider fish farming as one of the lucrative agriculture business ideas to venture into. The project will benefit from government intervention fund in the agriculture sector and it will also benefit from the favourable policy of zero duty for agricultural and equipment import. Also, some regulatory policies will also be put in place.

PROJECT TIMELINE

The project will be completed within 7 months preferably between November, 2020 to May, 2021.

FACILITIES AND EQUIPMENT

The facilities and equipment needed in the catfish farming are as follows:

- Electric Aeration
- Hauling Trucks and Tanks
- Generator
- Mechanical Blower
- Truck Mounted/ Tractor- powered
- Harvesting bag net
- Bamboo Screen Trap
- Levelling tool
- Distilling tool
- Seine
- Boom Truck
- Fish Basket
- Tractors
- Picking Truck
- Fertiliser Tools
- Analysis Kit
- Chilling Box
- Cast Net
- Nets and Trap
- Fingerling Seine
- Fingerling Suspension Net
- Gill-net Seine generator
- Spawning tools

- Fridge

ESTIMATED PROJECT COSTS AND REVENUE

(A) Acquiring Land

Activity		₦
Land	(200 x 200)	500,000
Land rights	(CFO, others)	70,000
Excavation & fencing of plot		397,000
Total		967,000

(B) Equipment

Name	₦
Feeding Equipment	80,000
Harvesting Equipment	120,000
Delivery Truck	350,000
Pelleting machine (1)	70,000
Power Generator (1)	160,000
Equipment for maintenance, monitoring & Repairs	103,000
Other facilities	200,000
Total	1,083,000

(C) Vehicle

Type	Model	QTY	₦
Pick up Truck	HILUX	2	30,000,000

(D) Pond Construction

Activity	Amount	₦
Trips of sand	2	126,000
Trip of gravel	1	24,000
Cost of labor		22,000
Cost of plumbing		50,000
Cost of well digging (water source)		30,000
Cost of pump machine	1	15,000
Cost of pond treatment		30,000
Cement	30 bags	40,000
Total		337,000

(E) Operating Cost

Operation Cost	₦	₦
Fingerlings (1000)	68,000 per cycle	136,000

Feeds (1000)	140,000 per cycle	280,000
Total out/ operation cost	208,000 per cycle	416,000
Returns	842,000 per cycle	1,684,000

FUNDING MECHANISM

Where possible equity investor will provide equity for working capital or otherwise secure loan at the rate of 9% 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.