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Matric no: 18/ENG03/050

Course code: Afe 202

Question: Prepare a business plan on a chosen agricultural enterprise following the guideline in the note.

BUSINESS PLAN ON FISH FARMING

Fish farming is a very lucrative business. It has been in existence for a very long time and more and more people have found it a very good means of livelihood. One of the unique things about the fish farming trade is that you have the opportunity to rear fishes and watch them grow from tiny to big enough to be traded with.

This business isn’t so capital intensive, however it requires that one garners a good skill in the trade so that one can apply expertise in the business and not lose money at a slightest mistake. Much more than the skills to be garnered there is the business plan that needs to be written. Business plans help you to decipher how a business is really being run. Here below is a sample fish farming business plan.

Industry Overview

The agricultural industry of which Fish and Seafood Aquaculture business is a subset of is no doubt among the leading industry in most countries of the world; it is the industry that produces fish and seafood for the populace.

Because of the significant role the agriculture sector plays, the government of most countries ensures that they go all the way to subsidize seedlings, fertilizers, and farming implements and machinery for farmers and also encourage entrepreneurs to go into commercial farming (fish farming inclusive).

The Fish and Seafood Aquaculture industry comprises of businesses that farm aquatic animals or plants in controlled aquatic environments. Businesses in this industry make use of some form of intervention in the rearing process to enhance production, such as holding in captivity and protecting from predators, pests and disease.

It is important to state that this industry does not including the fishing and harvesting of wild fish and shellfish especially on the high sea. A study conducted by IBIS-WORLD shows that the Fish and Seafood Aquaculture industry has indeed experienced slow growth over the last five years.

XYZ Fish and Seafood Aquaculture, fish and sea food aquaculture is a world – class and licensed Fish and Seafood Aquaculture Company that will be based in Lagos, Nigeria.. We have done our detailed market research and feasibility studies and we were able to secure a hundred hectares of land to start our fish and seafood aquaculture business.

Our fish and seafood farm is going to be standard fish and seafood farm hence will be involved in raising and harvesting fine fish (e.g. catfish, trout, tilapia and minnows), raising and harvesting shellfish (e.g. clams, oysters, crustaceans, mollusks and shrimp), raising and harvesting ornamental fish (e.g. goldfish and tropical fish), raising and harvesting aquaculture species to augment or replenish wild habitats, and raising and harvesting other aquaculture (e.g. seaweed, alligators, frogs and turtles) et al.

We are in the Fish and Seafood Aquaculture industry because we want to leverage on the vast opportunities available in the agriculture industry, to contribute our quota in growing the Nigerian economy, in national food production, and also to fish and seafood from Nigeria to other countries and over and above to make profit.

XYZ Fish and Seafood Aquaculture, is well positioned to become one of the leading fish and seafood farming business Nigeria which is why we have been able to source for the best hands and machines to run the company with.

We have put process and strategies in place that will help us employ best practices when it comes to fish and seafood farming processes as required by the regulating bodies in Nigeria. At XYZ Fish and Seafood Aquaculture, our customer’s best interest will always come first, and everything we do will be guided by our values and professional ethics.

We will ensure that we hold ourselves accountable to the highest standards by meeting our client’s needs precisely and completely. We will cultivate a working environment that provides a human, sustainable approach to earning a living, and living in our world, for our partners, employees and for our clients.

XYZ Fish and Seafood Aquaculture is a private registered fish and seafood farming company that is owned by Abas Onofiok and his immediate family members.

The fish and seafood farm will be fully and single handedly financed by the owner – Abas Onofiok and his immediate family members at least for a period of time. Abas Onofiok studied Fishery and he has well over 10 years of hands on experience in the fish and seafood aquaculture industry.

Our Product and Services Offerings

 XYZ Fish and Seafood Aquaculture is a standard fish and seafood farming company that is committed to raising fish and seafood for both the Nigerian market and the global market. We are in the fish and seafood to make profits and we are going to do all we can to achieve our business goals, aim and objectives.

These are the areas we will concentrate on in our fish and seafood farming business;

Raising and harvesting fin-fish (e.g. catfish, trout, tilapia and minnows)

Raising and harvesting shellfish (e.g. clams, oysters, crustaceans, mollusks and shrimp)

Raising and harvesting ornamental fish (e.g. goldfish and tropical fish)

Raising and harvesting aquaculture species to augment or replenish wild habitats

Raising and harvesting other aquaculture (e.g. seaweed, alligators, frogs and turtles)

Our Mission and Vision Statement

Our Vision is to become one of the leading fish and seafood farm brands not just in Nigeria but also on the global stage.

XYZ fish and Seafood Aquaculture is a world class and registered fish and seafood farming company that is committed to raising fish and seafood for both the Nigerian market and the global market. We want our fish and seafood to flood the nooks and crannies of Nigeria and other countries of the world.

Our Business Structure

XYZ Fish and Seafood Aquaculture is a privately owned and managed fish and seafood business that intend starting small in fishing community in Lagos, but hope to grow big in order to compete favorably with leading fish and seafood farming companies in the industry both in Nigeria and on a global stage.

We are aware of the importance of building a solid business structure that can support the picture of the kind of world class business we want to own. This is why we are committed to only hire the best hands within our area of operations.

At XYZ Fish and Seafood Aquaculture, , we will ensure that we hire people that are qualified, hardworking, and creative, result driven, customer centric and are ready to work to help us build a prosperous business that will benefit all the stake holders (the owners, workforce, and customers).

As a matter of fact, profit-sharing arrangement will be made available to all our senior management staff and it will be based on their performance for a period of five years or more as agreed by the board of trustees of the company. In view of the above, we have decided to hire qualified and competent hands to occupy the following positions;

Chief Operating Officer

General Fish and Seafood Farm Manager

Human Resources and Admin Manager

Accountant / Cashier

Sales and Marketing Executive

Field Employees

Front Desk Officer

SWOT Analysis

XYZ Fish and Seafood Aquaculture, do not intend to launch out with trial and error hence the need to conduct a proper SWOT analysis.

We know that if we get it right from the onset, we would have succeeded in creating the foundation that will help us build a standard fish and seafood farming company that will favorably compete with leading players in the Fish and Seafood Aquaculture industry in Nigeria and in the rest part of the world.

We engaged the services of a core professional in the area of business consulting and structuring to assist our organization in building a well – structured fish and seafood farming company that can favorably compete in the highly competitive fish and seafood aquaculture industry in the Nigeria and the world at large.

Part of what the team of business consultant did was to work with the management of our organization in conducting a SWOT analysis for XYZ Fish and Seafood Aquaculture. Here is a summary from the result of the SWOT analysis that was conducted on behalf of XYZ and Seafood Aquaculture.

Strength:

Our strength as a fish and seafood farming company is the fact that we have healthy relationships with loads of major players (agriculture merchants) in the industry; both suppliers of fish and seafood feeds and medications and buyers of fish and seafood within and outside of Nigeria

We have some of the latest fish farming hatchery, tools and equipment that will help us raise and produce fish and seafood in commercial quantities with less stress. Aside from our relationship (network) and equipment, we can confidently boast that we have some the most experienced hands in Lagos in our payroll.

Weakness:

Our weakness could be that we are a new fish and seafood farming company Nigeria, and perhaps it might take us sometime to attract big time customers in the industry. We are aware of this and from our projection will overcome this weakness with time and turn it to a major advantage for the business.

Opportunities:

The opportunities that are available to us as a standard and world – class fish and seafood farming company cannot be quantified, we know that there are loads of households, and businesses such as hotels and fast food restaurants that can’t do without daily supply of fresh water fish and seafood. We are well positioned to take advantage of this opportunity

Threat:

Some of the threats and challenges that we are likely going to face when we start our own fish and seafood farming company are global economic downturn that can impact negatively on household spending, bad weather cum natural disasters (draughts, epidemics), unfavorable government policies and the arrival of a competitor within same location.

There is hardly anything you can do as regards this threats and challenges other than to be optimistic that things will continue to work for your good.

MARKET ANALYSIS

Market Trends

The Fish and Seafood Aquaculture industry has greatly benefited from campaigns advertising the health benefits of fish and seafood as a good source of protein. The vast majority of the revenue generated in the industry is derived from sales of fish, mollusks and crustaceans that will be processed into food products; this industry’s success is tied to levels of seafood consumption.

Per capita seafood consumption in Nigeria has declined over the last five years, putting strain on businesses in this industry. Nonetheless, increases in the price of seafood, combined with a healthy export market, have boosted the revenue growth in this industry. The revenue generation from The Fish and Seafood Aquaculture industry is projected to grow at an annualized rate of 0.3 percent to $1.5 billion over the five-year period.

As a matter of fact, one of the new trends is that with the recent advancement in technology, fish and seafood farmers can now comfortably predict and produce the quantities of fish and seafood they want to produce per time from their hatchery.

Our Target Market

Naturally, the target market of those who are the end consumer of fish and seafood and also those who benefits from the business value chain of the fish and seafood aquaculture industry is all encompassing; it is far – reaching.

Every household consumes produce from fish and seafood farms be it fin-fish (e.g. catfish, trout, tilapia and minnows), shellfish (e.g. clams, oysters, crustaceans, mollusks and shrimp), ornamental fish (e.g. goldfish and tropical fish), and other aquaculture (e.g. seaweed, alligators, frogs and turtles). So also almost all hotels and fast restaurants sell fish and seafood.

In essence a fish and seafood farmer should be able to sell his or her farm produce to as many people as possible. In view of that, we have positioned our business to attract consumers of fish and seafood not just in Nigeria alone but also other parts of the world.

We have conducted our market research and survey and we will ensure that we meet and surpass the expectations we set for the business. Below is a list of the people and business that we will market our fish and seafood to;

Households

Individuals

Hotels

Restaurants

Fast food eateries

Agriculture merchants

Our Competitive Advantage

It is easier to find entrepreneur flocking towards an industry that is known to generate consistent income which is why there are increase number of fish and seafood farmers in Nigeria and of course in most parts of the world.

As a matter of fact, entrepreneurs are encouraged by the government to embrace commercial farming cum fish and seafood farming business. This is so because part of the success of any nation is her ability to cultivate her own food and also export foods to other nations of the world.

XYZ Fish and Seafood Aquaculture is fully aware that there are competitions when it comes to selling fish and seafood all over the globe, which is why we decided to carry out thorough market research so as to know how to take advantage of the available market in Nigeria and in other parts of the world.

We have done our homework and we have been able to highlight some factors that will give us competitive advantage in the marketplace; some of the factors are effective and reliable fish and seafood farming processes that can help us sell our produce at competitive prices, good network and excellent relationship management.

Another competitive advantage that we are bringing to the industry is the fact that we have healthy relationships with loads of major players (agriculture merchants) in the industry; both suppliers of fish and seafood feeds and medications and buyers of fish and seafood within and outside of Nigeria.

Lastly, all our employees will be well taken care of, and their welfare package will be among the best within our category (startups fish and seafood farming companies in Nigeria) in the industry. It will enable them to be more than willing to build the business with us and help deliver our set goals and achieve all our business aims and objectives.

SALES AND MARKETING STRATEGY

We are quite aware that the reason why some fish and seafood 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 business goal of XYZ Fish and Seafood Aquaculture.

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, XYZ Fish and Seafood Aquaculture. 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)

Sources of Income

XYZ Fish and Seafood Aquaculture, is in the fish and seafood aquaculture industry for the purpose of maximizing profits hence we have decided to explore all the available opportunities within the industry to achieve our corporate goals and objectives. Below are the sources we intend exploring to generate income for XYZ Fish and Seafood Aquaculture.

Raising and harvesting fin-fish (e.g. catfish, trout, tilapia and minnows)

Raising and harvesting shellfish (e.g. clams, oysters, crustaceans, mollusks and shrimp)

Raising and harvesting ornamental fish (e.g. goldfish and tropical fish)

Raising and harvesting aquaculture species to augment or replenish wild habitats

Raising and harvesting other aquaculture (e.g. seaweed, alligators, frogs and turtles)

Sales Forecast

From the studies and the survey conducted, we were are able to discover that the sales generated by a fish and seafood farming business depends on the size of the fish and seafood farm, the types of fishes and seafood available in the fish and seafood farm and of course the size of their marketing network.

We have perfected or sales and marketing strategies and we are set to hit the ground running and we are quite optimistic that we will meet or even surpass our set sales target of generating enough income / profits from the year of operations and build the business from survival to sustainability with the shortest period of time.

We have been able to critically examine the fish and seafood aquaculture industry and we have analyzed our chances in the industry and we have been able to come up with the following sales forecast. The sales projection is based on information gathered on the field and some workable assumptions as well with respect to the nature of fish and seafood farming business that we run.

Below are the projections that we were able to come up with for the first three years of running XYZ fish and Seafood Aquaculture.

First Fiscal Year-: $250,000

Second Fiscal Year-: $600,000

Third Fiscal Year-: $900,000

(We decided to use dollars)

N.B: This projection is done based on what is obtainable in the industry and with the assumption that there won’t be any major economic meltdown that can impact negatively on household spending, bad weather cum natural disasters (draughts, epidemics), and unfavorable government policies

Our Pricing Strategy

Some of the factors that will help you sell your farm produce at the right price that will guarantee that you make profits is dependent on your strategy while some of the factors are beyond your control. For example, if the climatic condition is unfavorable and if there is natural disaster in the location where you have your fish and seafood farm, then it will directly affect the prices of your fish and seafood.

Over and above, if you want to get the right pricing for your fish and seafood, then you should ensure that you choose a good location for the fish and seafood farm, choose a good breed that will guarantee bountiful harvest, cut the cost of running your fish and seafood farm to the barest minimum and of course try as much as possible to attract buyers to your fish and seafood farm as against taking your fish and seafood to the market to source for buyers; with this, you would have successfully eliminate the cost of transporting the goods to the market and other logistics.

We are quite aware that one of the easiest means of penetrating the market and acquiring loads of customers for all our fishes and seafood is to sell them at competitive prices hence we will do all we can to ensure that the prices of our fish and seafood are going to be what other fish and seafood farmers would look towards beating.

One thing is certain; the nature of fish and seafood farming business makes it possible for fish and seafood farmers to place prices for their fish and seafood based on their discretion without following the benchmark in the industry. The truth is that it is one of the means of avoiding running into loss.

Payment Options

The payment policy adopted by XYZ Fish and Seafood Aquaculture is all inclusive because we are quite aware that different customers prefer different payment options as it suits them but at the same time, we will ensure that we abide by the financial rules and regulation of Nigeria

Here are the payment options that XYZ Fish and Seafood Aquaculture will make available to her clients;

Payment via bank transfer

Payment with cash

Payment via online bank transfer

Payment via check

Payment via mobile money

Payment via bank draft

In view of the above, we have chosen banking platforms that will enable our client make payment for farm produces purchase without any stress on their part. Our bank account numbers will be made available on our website and promotional materials to clients who may want to deposit cash or make online transfer for fishes and seafood.

Publicity and Advertising Strategy

Any business that wants to grow beyond the corner of the street or the city they are operating from must be ready and willing to utilize every available means (both conventional and non – conventional means) to advertise and promote the business. We intend growing our business which is why we have perfected plans to build our brand via every available means.

We know that it is important to create strategies that will help us boost our brand awareness and to create a corporate identity for our fish and seafood farming business. Below are the platforms we will leverage on to boost our fish and seafood farming brand and to promote and advertise our business;

Place adverts on community based newspapers, radio stations and TV stations.

Encourage the use of word of mouth publicity from our loyal customers

Leverage on the internet and social media platforms like; YouTube, Instagram, Facebook ,Twitter, LinkedIn, Snapchat, Badoo, Google+ and other platforms to promote our business.

Ensure that our we position our banners and billboards in strategic positions all around Lagos

Distribute our fliers and handbills in target areas in and around our neighborhood

Contact corporate organizations, households, landlord associations and schools by calling them up and informing them of XYZ Fish and Seafood Aquaculture and the fish and seafood we sell

Advertise our business in our official website and employ strategies that will help us pull traffic to the site

Brand all our official cars and trucks and ensure that all our staff members and management staff wears our branded shirt or cap at regular intervals.

Financial Projections and Costing

When it comes to calculating the cost of starting a fish and seafood farm, there are some key factors that should serve as a guide. The different types of fishes and seafood to be raised in the fish and seafood farms determine the total cost of setting up the business.

Besides, in setting up any business, the amount or cost will depend on the approach and scale you want to undertake. If you intend to go big by renting / leasing a big facility, then you would need a good amount of capital as you would need to ensure that your employees are well taken care of, and that your facility is conducive enough for workers to be creative and productive.

This means that the start-up can either be low or high depending on your goals, vision and aspirations for your business.

The tools and equipment that will be used are nearly the same cost everywhere, and any difference in prices would be minimal and can be overlooked. As for the detailed cost analysis for starting a fish and seafood farming business; it might differ in other countries due to the value of their money.

Sustainability and Expansion Strategy

The future of a business lies in the numbers of loyal customers that they have the capacity and competence of the employees, their investment strategy and the business structure. If all of these factors are missing from a business (company), then it won’t be too long before the business close shop.

One of our major goals of starting XYZ Fish and Seafood Aquaculture is to build a business that will survive off its own cash flow without the need for injecting finance from external sources once the business is officially running.

We know that one of the ways of gaining approval and winning customers over is to retail our fishes and seafood a little bit cheaper than what is obtainable in the market and we are well prepared to survive on lower profit margin for a while.

XYZ Fish and Seafood Aquaculture will make sure that the right foundation, structures and processes are put in place to ensure that our staff welfare are well taken of. Our company’s corporate culture is designed to drive our business to greater heights and training and re – training of our workforce is at the top burner.

As a matter of fact, profit-sharing arrangement will be made available to all our management staff and it will be based on their performance for a period of six years or more. We know that if that is put in place, we will be able to successfully hire and retain the best hands we can get in the industry; they will be more committed to help us build the business of our dreams.

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