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A Business Plan for Fish farming in Nigeria

Fish farming is one of the most popular animal agriculture. It has the most animal products in the market, constituting more than 60% of meat produce in the Nigerian Market.

Fish is one of the highest source of protein that is filled with Omega-3 fatty acids and vitamins such as D and B_2 (riboflavin). It is also rich in minerals.

Apart from fish being highly nutritious, it also relatively cheaper than meats making it the number one choice when it comes to affordability. It also grows very fast and is very profitable with proper planning and good management i.e 3 million investment in fish farming could easily result to 4 million of pure profit within six months.

Fish farming also experiences risks like every other agriculture business. Such risks include;

1) It is sensitive to manage; fish is very sensitive to manage and a slight mistake could result to degeneration of fish
2) It is capital intensive; it requires more capital than poultry farming and snail farming
3) There is no by product in fishery unlike poultry. The only thing gotten from it is flesh.

   Fish species that can be bred are;

   1) Cat fish: it is the most popular fish in Nigeria, this fish species is by far the most cultured in Nigeria because it is the easiest to cultivate.
   2) Tilapia: it is the second most popular fish in Nigeria's aquaculture industry. They live in fresh shallow water. It reproduces very rapidly and grows fast two.

Project Description (Fish farming)

This business plan examines the feasibility of fish farming. This feasibility study prepared for a catfish farm capacity of 10,000 and fingerlings of high breed catfish where to be stocked. The expenses from pond construction to marketing is considered. The farm is to have 10 concrete ponds of flow through system and each pond is to contains 1,000 stocked catfish.

Sponsorship

This project is sponsored by Prof Augustine Osagie, a professor in the field of Medicine who happens to also owns a large agriculture enterprise called Divine Ventures limited. Prof Augustine Osagie is promoting the productivity of smallholder farmers in Benin City. Divine Ventures limited is an agribusiness has experts with many years experience in fish farming business. Therefore, Divine Agribusiness ventures will be responsible for the management consultancy of the projects.

Management

The project would be managed by the President and the Board of directors at the apex of the organization structure. This will be made up of shareholders and member of the cooperative who have stake in the survival, growth and profitability of the business as well as distinguished agribusiness professor of proven integrity vast experience in the project area.

The Board will give strategic directions and policies that will ensure long term success of the organization. While, the President is responsible for the co-ordination of the day to day management of the cooperative business.

Technical Assistance

The Agribusiness enterprise in association will help engage the service of expert pond construction engineer to provide and give the specifications and construction requirements for the construction of the pond. The service of a plumber is also needed to do the plumbing work to make sure there is proper drainage.

Adequate water supply is the lifeblood of a fish farm and lack of it may result to disaster because water need to be changed on regular intervals. Naturally available sources of water such as borehole and river water is the most suitable. Rain water and tap water from chemically treated source is not recommended for fish cultivation. Therefore, a borehole would be dug to ensure adequate supply of water in the fish pond.

The last technical assistance needed is the installation of an overhead tank. This will act as the water reservoir from which water is supplied to the ponds. This tank has to be connected to your ponds through plumbing system to make it convenient for water to flow into your ponds when needed.

Market and Sales

Market Orientation; domestic, south south, Nigeria.

Market share; 10% niche market in south south Nigeria

Users of product: sources of protein for human consumption

Method of sales; Retail fish sales e.g receipts generated by restaurant that specializes in the sale of sea food.

Competition Analysis

Lagos alone produces 80% of fisheries and fish farming. They are known to have many

fish ponds and fish markets which makes fish cheaper and popular for supply to most regions in Nigeria. Based on this above analysis, competition in terms of production in South south, Nigeria is non existent compare to the demand for produce.

Tariff and import restrictions

Forex restriction on food importation and zero duty on imported agricultural equipment will favor the project.

Market Potential

There is high demand for fish in the south south of Nigeria.

Profitability

Weather, biological, chemical, physical and environmental factors such as temperature, sunlight, water, feed, predators and price fluctuations and other risks that were discussed earlier. However, technical, scientific and financial based solutions will be employed to hedge against risks and safeguard profit.

Government support and regulations

Among importers and distributors, a lot of money running into billion is recognized annually among market agents. The industry also employs so many people. The growth of the industry is expected to continue as more Nigerians are seeking to add fish and other seafood products to their diets for both the taste and health benefits associated with seafood. One of the common trends in fishery industry is that newer technologies are actually increasing the net profit margins of the business while concurrently

lessening the ecological impact of fisheries on the environment.

Cost of Constructing Each pond is as follows;

Each pond is 3m × 2.5m by 1.4m, each pond consumes 210 blocks and each bag of cement for 30 blocks. Hence 21100 cement needed. 2000×70=140,000 naira.

- 4 trips of sand used = 7,000×4= #28,000
- 2 trips of gravel = 32,000×2= #64,000
- Cost of labour = #150,000
- Cost of plumbing (inlet and outlet facility) = #100,000
- The cost of borehole = #150,000.
- Cost of treatment = #50,000
- The cost of high breed fingerlings, 30×10,000 = #300,000
- Cost of feeding from day one to maturity stage is 200 bags of foreign feed = #1,000,000

After the average weight of the fish was 1.7kg and it was sold at 800 naira each. The output was 800×9800 fishes due to 200 mortality. 800×9800 = #7,849,000.

Input is #3.25 million. The profit is #4.59 million after six months of culture. Following this cost analysis, you can easily invest #3 million and expect good turnover within six months of harvest and sell.

Promotion

Advertising: phone calls, short text messages, posters and handbills.

We shall also use other methods such as dealer incentives, word of mouth and network of friends or professionals.

Funding Mechanism

Divine ventures limited will provide half a plot of land and where possible equity investor will provide equity for working capital or otherwise secure loan at the rate of 10% 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.