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**COURSE TITLE: FOOD PRODUCTION AND HEALTH AWARENESS**

**A BUSINESS PLAN FOR THE DEVELOPMENT OF A 100 HECTARES FISH FARM FOR THE PRODCUTION OF SMOKED AND FROZEN FISH, INCLUDING FISH FEED MANUFACTURING PLANT, ORNAMENTAL FISH FARMING AND FISH BREEDING AT AWODU FARM, IKEJA, LAGOS STATE, NIGERIA BY HAMILTON AGRO-ENTERPRISE.**

**The undersigned reader acknowledges that the information provided in this business plan is a confidential intellectual property; therefore, the reader agrees not to disclose it to a third party without the express written permission of the promoters of the proposed business.**

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**Upon request, this document is to be immediately returned to the promoters of the proposed business.**

**Signature:**

**Name:**

**Date:**

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**BRIEF DESCRIPTION OF THE PROJECT**

This business plan examines the economic viability of developing a 100-hectare fish farm and the establishment of a large-scale industrial freezer and kiln, the farm will produce its own fish feed to sell to other small-scale fish farms. It will also have its own breeding pen to produce fish fries which will also be sold to small scale fish farms and finally there will be an ornamental fish section purposely for the development of ornamental and decorative fish.

The industrial kiln and freezer will produce approximately a tonne of both frozen and smoked fish. The frozen fish will remain in the industrial freezer until the time of delivery to the customer whilst the smoked fish will be bagged and stored. There is high demand for fish due to the large population of people residing in Lagos and production constraints leading to the scarcity of fish.

The fish feed plant is essential in providing the balanced nutrition needed by farmed fish. The feed can be in form of granules or pellets that vary in size, provide the nutrition in a stable and concentrated form, enabling the fish to feed essentially and grow to their full potential.

There will be an established hatchery where breeding will be done and to produce fries which will enable the fish production cycle to continue smoothly; egg- larvae- fry- fingerling- juvenile- Adult.

The Ornamental fish section will consist of only decorative fish which will serve as pets. It is a promising alternative for many people, it requires less space and less initial investment than other most forms of aquaculture.

**Company Goals and Objective:** Our goal is to have a healthy, successful company that is a leader in customer service and that has a loyal customer following. While our objective is to have our fish in every pot of soup in Lagos.

**Mission Statement:** to be self-employed, create employment opportunities for other, provide protein to the populace and help save some foreign exchange for Nigeria.

**Target Customer:** Since there are no religious, cultural or demographic barriers on the consumption of fish, our customers shall be open market, restaurants, wholesalers, high end hotels and grocery shops. Over time with reasonable expansion we shall commence exporting the product when the local market is satisfied or just to earn foreign currency.

**Strength and Competencies:** Fish farming, though available requires skilled manpower. To set up a fish farming business, you need to learn how to cater to the fish. The farm will be mainly technical but will still be need for top management with high-level manpower, unlike other fish farming businesses, where you mostly find the uneducated managing the affairs of the business.

This project will create economic opportunities, impact positively on the people and help conserve scarce foreign exchange.

**SPONSORSHIP, MANAGEMENT AND TECHNICAL FEASIBILTY**

**Sponsorship**

The project will be sponsored by Mrs. Remi Arichoke, a business mogul and founder of REMCO. Mrs. Remi Arichoke has promoted other farms and businesses in the past due to her love for promoting any kind of farming in Nigeria. She has a foundation created specifically for the purpose of promoting farming amongst the Nigerian youths. The foundation has a very large Department of Agriculture and has experts in the various fields of agriculture.

The foundation will provide 50% of the capital required to start up the farm and will act as a dormant partner but will be involved in the strategic and financial direction of the farm, and therefore will not contribute in the daily running of farm, whilst Hamilton Aqua-Enterprise will provide the remaining 50%. In return, the foundation will share in the profit and losses of the farm.

**Management**

The management of the farm will comprise of a Board of Directors at the helm of affairs from both the REMCO foundation and Hamilton Aqua-Enterprise solely for the financial dealings of the farm, this board will also give strategic directions and policies that will ensure the long-term success of the business. The Board will also ensure that the business complies with the standards set by regulatory authorities. Due to the dormant position of the REMCO foundation, there will be another tier of administrators.

This second tier of administrators will be responsible for the four branches of the farm; fish farming and processing, fish feed production, fish breeding and ornamental fish farming. The fish farming and processing will have two administrators, one for the administration of the fisheries and the other for the administration of the processing of the fish. This second tier will report to the Managing Director who will take it up with the first Board and give them feedback.

The Managing Director will focus on wealth creation and he will be held accountable by the Board of Directors, he will be responsible for the coordination of the day to day activities of the farm.

Professional and Advisory Support:

* Board of Directors
* Managing Director
* Attorney
* Accountant
* Insurance agent
* Banker
* Consultants

**Technical Assistance**

Hamilton Aqua-Enterprise has a working relationship with the Fisheries Society of Nigeria (FISON) which is responsible for promoting and coordinating activities in the fisheries subsector of the Nigerian Economy and the society can provide technical guidance in areas of need.

The foundation also has a program that awards 2 engineers a job opportunity to work at any farm of their choice fresh out of the university per annum, this means that the farm will not lack technical knowhow, expertise and modern day equipment’s will be well tested and up to standard.

The foundation also has a working relationship with Lagos State Government Lagos State Ministry of Agriculture, Farmers Union, Agric Cooperatives and individual farmers. The foundation will benefit from this relationship in the area of production through contract farming.

**MARKET AND SALES**

Fish farming in Nigeria started gaining widespread recognition in the year 2000 and has now become a business that all farmers are venturing into. Statistics show that only 50% of the demand of fish has been met, statistics also show that 51% of poultry farmers are now engaging or converting into fish farming.

There is strong demand for fish in the Southern part of Nigeria, the state of infrastructure though not perfect, supports the production and trade within Nigeria.

Except for 10% mortality, which is provided for in any animal husbandry outfit, we forecast 95% sales of our output. We therefore predict an annual growth rate of 45%.

**Target Market:** Due to the location of the business in the South West, Lagos State, Awodu Ikeja to be specific, hope to enjoy huge patronage of the population here. The following are our target market:

* Ikeja shopping Mall
* Student community of University of Lagos
* Jakande Market
* Westcon Hotels

And other consumers of fish in bulk.

Our General target is the entire South Eastern and South Western part of Lagos

**Buying Behavior:** As a new business that is just starting, also considering the location of our business, we will be selling basically on cash but might consider giving credits to individual wh purchase in large quantity either for consumption or resale.

**Pricing:** Our pricing shall be as in the table below.

|  |  |  |
| --- | --- | --- |
|  | AGE in months  | Price (N) |
| Fingerling  | Up to 1  | 30 |
| Juvenile  | 2 | 60 |
| Table Size  | 6 | 1000 per kg |
| Brood Stock | 8 and above  | 2000 per kg |

The price of various categories of our fish shall be average prices and compete on quality and service. Our intended customers really make their purchase decisions mostly on price, so we are better off remaining average. Our credit policy shall be cash and carry so our customers always come with their money.

**Niche:** Our unique corner of the market is to start producing table size catfish, tilapia, their fries and fish feed for the resellers and consumers.

**Competition:** Most fish farmers around us depend on imported fish feed with its huge overhead cost. We intend to formulate our own fish feed which will be nutritive enough, but cheaper, translating into higher profits even when we sell cheaper.

Of course, we still envisage indirect competition from meat, example beef, pork, chicken, snail, goat meat. Meat tastes different from fish. Other fish farmers are excluded because, put together the market is still large enough for fish consumption.

**TECHNICAL FEASIBILITY**

The project is technically feasible, in terms of technology, which involves a modern pond water facility, a water plant, a feed mill plant and aquarium.

The following factors below may vary if you want to start a successful fish farm in Nigeria and they include:

* Location
* Cost of labor
* Cost of materials
* Marketing
* Distribution

The needed equipment for the fish farming is as follows:

* Electric Aeration
* Hauling Trucks and Tanks
* Generator
* Mechanical Blower
* Harvesting Bag Net
* Fingerling seine net
* Industrial freezer
* Oven/ kiln for smoking
* Picking Truck
* Fertilizer tools
* Analysis Kit
* Generator
* Mechanical Blower

**GOVERNMENT SUPPORT AND REGULATION**

The project confirms with the economic diversification objective of the government. It also supports foreign exchange and import reduction conservation of government.

The Government has made efforts to boost fish production: The Nigeria Agriculture Minister has said, “In 2013, a total of 3.6 million juveniles, 36,000 bags of 15 kilograms of feed and 200 water testing kits were provided to fishermen in ten states, at a total cost of N1.5 billion Naira.” While many fish farmers indicate they are yet to see and/or get these items, market analysts state that these are grossly inadequate to make any impact on boosting production to cover the import cut. Nigeria’s marine waters are also unsafe with serious security challenges which hamper fish and shrimp trawling. Nigeria’s Niger Delta areas used to be the hub of the country’s fishing and fishery production. But that status has been overwritten since Nigeria’s oil and gas discovery in that region.

Water pollution from oil and gas exploration activities in the region has continued to deplete the region for fishery activities.

Generally, many industry watchers indicate that Nigeria’s fish quota regime can only increase food inflation and open up channels for profiteering by politically connected importers and individuals with privileged access to top GON officials. This will fuel smuggling and the corruption of port officials, as well as increase the risk of disease in domestic fish farming as pond will be overtaxed as fish farmers try to boost production. They advise that the government should consider reducing only imports of species currently farmed in Nigeria, and channel duties on imported fish towards subsidizing fish eggs for aquaculture farmers and establishing a fisheries development fund to help build up the domestic industry.

It creates economic opportunities, market access, improved income for farmers and supports the food security objective of the government.

**TIMELINE OF THE PROJECT**

The project will be completed within a time frame of 9months to a year, it will be preferable for the project to commence during the dry season because land clearing is mostly done in the dry season and for excavation of the land to create the ponds to be easy. Therefore, the project should start either early or late November, there will be six months of the dry season, this means that the dry season will end around April. And by this time most of the land related works would have been completed. The project will conclude between July to November.

**ESTIMATED PROJECT COSTS AND REVENUE**

The project will require a total capital outlay of 77,000,000 (Seventy seven million naira) as detailed below

|  |  |
| --- | --- |
| **CAPITAL INVESTMENT**  | **AMOUNT (N)** |
| Land | 30,000,000.0 |
| Building/ Infrastructure  | 15,000,000.0 |
| Equipment/ Machinery  | 10,000,000.0 |
| Furniture/ Fittings | 7,000,000.0 |
| Construction of 100 ponds  | 10,000,000.0 |
| **Total Capital Cost**  | **72,000,000.0** |

|  |  |
| --- | --- |
| **WORKING CAPITAL** | **AMOUNT (N)** |
| Purchase of Fingerlings | 1,500,000.0 |
| Medications | 200,000.0 |
| 6 months staff salaries | 2,000,000.0 |
| Fuel/ Transportation/ Maintenance  | 1,100,000.0 |
| Cost of Sales Expenses  | 200,000.0 |
| **Total Working Cost** | **5,000,000.0** |

|  |  |
| --- | --- |
| **TOTAL INVESTMENT**  | **77,000,000.0** |