NAME: DIM PEACE IFUNANYACHUKWU

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Starting a poultry using the guidelines of a business plan

Select your Poultry Niche

The poultry industry is a broad niche. There are many sub-sectors in the poultry industry which you can tap into. When poultry farming is mentioned, a lot of people take that to mean chicken rearing or turkey rearing alone but poultry farming is a very wide business with different aspects. Below are niches in the poultry business:

Poultry feed production

Poultry equipment manufacturing

Egg and meat processing, packaging and marketing

Poultry marketing and consultancy

Egg production (Layers breeding)

Meat production (Broilers breeding)

Chicken breeding (Hatchery)

So, you see that poultry farming is very wide. Therefore, you have to choose your area of specialization. Of course, if you have enough capital and the technical know-how nothing stops you from doing all the businesses under poultry farming but it is always better to go back to the drawing board, find out which aspects of poultry farming are more profitable in your area in terms of demand and income and then select the most attractive aspects to concentrate on.What Type of Bird Will You Be Focusing On?

Another important factor to consider is the type of birds you wish to rear. There are several types of birds that you can rear. Poultry farming can further be classified into the types of birds:

Domestic fowl or Chicken (Broilers and layers)

Guinea fowl

Pigeon

Duck

Goose

Peacock

Quail

Turkey

You also have to decide on whether you want to rear layers or broilers. Layers are usually raised mainly for laying eggs so if egg production is your area of specialization, you would need to stock your farm with layers but if you prefer to opt for meat production instead, then you would need broilers instead because broilers have the ability to grow very fat and gives more return on investment because they weigh a lot more than other breeds.I will be focusing on poultry breeding for egg and meat purposes with respect to the domestic fowl.

3. Start-up Capital Investment

* The poultry farming business is capital intensive; depending on the scale, location of your farm and the type of management technology used. A small scale poultry farm being run behind your house may require a capital of between #500,000 – #1,000,000. A medium scale poultry farm may require #2,000,000 – #5,000,000 and a large scale poultry farm may require a start-up capital of #10,000,000 and above. Like stated earlier, scale is directly proportional to capital.

4. Poultry Location

A good location is vital to the success and profitability of your poultry farm. An ideal poultry farm should be sited where there’s a large availability of cheap land and at the same time; should be close to areas with high population density. It’s not advisable to site your poultry farm within a residential area because of the offensive odour it produces.

While it is smart to start your poultry farm in a place where the odor and noise would not disturb other people, you should also consider the security factor. Lands in sparsely populated settlements are cheap and you would have fewer issues with community disturbance and zoning but it may be far from your market and buyers. You need to find a balance, look for a place that is favorable to you and would also be favorable to your customers at the same time.

5. Housing your birds

Another important factor to consider is the poultry housing system and fencing options. Poultry housing system determines up to 40% of the rater of success you would achieve in poultry farming. A good housing system is very important for your poultry farm. The housing system commonly used in poultry farming are-:

Extensive system: Range and fold unit

Semi Intensive system: Standard semi intensive unit and straw yard

Intensive system: i. Deep litter;

 ii. Wire and slated floor;

 iii. Straw yard;

 iv. Battery cage.

a. Free Range System-: Under free range poultry farming system, chickens are allowed to roam around on their own in search for food. This system cannot be used for commercial poultry farming because of the high level of risks involved.

b.Deep Litter System-: This system involves spreading wood shavings or saw dust on a concrete ground with the chickens placed on the floor and the dust serving as a ‘cushion’ for them. The dust is changed regularly, either by removing and replacing or by layering.

Deep litter system is used by a lot of poultry farmers because it increases efficiency and makes it easier to manage large flocks of birds but it allows for a faster spread of diseases when there is an outbreak and also makes it difficult to fish out unproductive birds.

c. Battery Cage System-: As for the battery cage system, metal cages are constructed inside a building to house the birds. The cages are usually split into different compartments to house small groups of birds. The cages also contain feeding and water troughs as well as laying nests.

Bird droppings fall on the floor and are cleaned mechanically by a scraper. This method is considered to be the most effective for egg production but the major downside of this method is that it is more expensive to construct and maintain compared to other forms of poultry housing systems.

If you are running a poultry farm for commercial purposes and you intend getting the best out of the business; with respect to high birds’ productivity and efficiency. Then you should consider housing your birds using the intensive system. Note that each of the three housing system has its own advantages and disadvantages. Lastly, your poultry housing structure should be built at a particular angle; taking sunlight and wind into consideration.

6. Poultry equipment and appliances

There is a very long list of equipment and facilities to put in place in order to fully manage a poultry farm. You would need to construct a house for the birds, provide feeders and drinkers, a good waste disposal system, source of water, lightening and heat, egg crates and storage space for keeping feed and eggs.

Therefore, you should make a list of all the items you would need, find out the prices and compare different prices to further give you an idea of the costs of setting up the poultry farm.The following equipment may be needed for your poultry farm and their uses:

Feeders

Drinkers

Perches

Nests

Crates

Waste disposal system

Incubator

Heaters or brooders

Egg tray

Cages and coops

Lighting system

7. Feeding your birds-: Feeding is a major aspect of poultry farming. In fact, about 70% of your expenses would go towards poultry feeding. Therefore, it is imperative to figure out the feeding aspects of business before you go into it. There are two ways to go about feeding in poultry farming:

Producing your feeds by yourself

Buying already-made poultry feeds

I recommend the former for large commercial poultry farms because it helps you to save a lot of money on feeding costs. You can easily learn how to make poultry feeds, purchase equipment and start producing feeds for your farm. You can even make some extra income for yourself by selling to others but it is important that you get the right feed formula and ingredients that would enhance the growth of your birds.

8. Poultry Farm staffing and manpower

Operating a poultry farm is not labor intensive if the use of technology is employed. With respect to staffing, the number of manpower needed is also dependent on the size of your farm. But some must haves should be admin officer or manager; who will oversee the day to day running of your business. Your manager can also double as your accountant to cut down cost.

It is also advisable you have personnel who will reside permanently in the farm to monitor and see to the well being of your birds. You will also need security personnel that will monitor the inflow and outflow of people around your farm; and most importantly, guard against theft. Aside these few mentioned, you can add more personnel to suit your business needs.

9. Accounting-: a lot of poultry farmers take the accounting and record keeping aspects of their business for granted.

You don’t need to have an accounting background or spend hours on record keeping or accounting for your farm; just purchase a farm management software, install it on your computer and there you are, you would be able to know how your business is doing and whether you are growing or not.

10. Health-: Just like you need regular health check-up to stay in good shape, the birds in your farm also need regular check-up. They need proper vaccines and medications to prevent diseases and promote growth. You should have a consultant, a veterinary doctor who would be in charge of giving vaccinations and providing proper health care for the birds. Chicks need more care after they hatch especially within their first 3 weeks.

11. Marketing-: Another factor to give consideration to is the marketing aspect of your poultry business. You have to find a way to reach your customers and this would be done by employing the right marketing techniques. Therefore, before you start a poultry business, you should really consider the marketing strategies which you would use to break into the market.

12. Projected return on investment

The incubation period of the domestic fowl is 21 days. You can start selling off your birds as early as 8 – 12 weeks but full maturity is reached between 20 – 24 weeks. The payback period of a poultry farming business is between 3 – 5 years.

Five Challenges of Starting a Poultry Farming Business

Poultry farming business is one of the most important and profitable aspect of livestock farming business especially in Nigeria. But like every other business, there are risks and challenges involved.

* It is Labor intensive
* Pests such as rats, ants, etc and predators such as hawks, snakes can cause massive loss
* Lack of support from the government
* Poultry farming has a longer pay back period

Taking a close look at Nigeria today, you will attest to the fact that the government shows little or no interest in livestock farming; let alone poultry farming. The government is more interested in the oil sector thereby not showing concern to poultry farming and this brings discouragement to the poultry farmers.

Even the assumed agricultural loan the government provided cannot be accessed because of the stringent conditions attached. The only visible effort of the government is the recent ban on the importation of live or frozen poultry birds.

* High start-up capital

The very first factor you have to give serious consideration to is capital. Just like every other business, poultry farming needs sufficient and proper funding. This is because the amount of capital you have to invest has a lot to do with the level of success you would achieve in poultry farming. If you have enough capital, you would be able to put facilities that would increase your productivity in place.

You cannot do well as a livestock farmer, especially poultry farming when you don’t have enough funds. You need money to purchase a land for the farm, to construct and equip the farm, to hire and pay staff/laborers and also to feed and provide healthcare for your birds.

Without proper funding, you will struggle to keep your business afloat but with enough capital; business is made easier. So it is advisable that you do your financial analysis very well and ensure you have access to cash because nothing kills a business faster than lack of money.

* Outbreak of diseases

When the environment is dirty, disease and infection is inevitable. Birds like chicken are very sensitive to environmental changes. If the poultry environment is not properly taken care of, the chickens will be exposed to diseases like bacteria infection. So as a poultry farmer, you must ensure that the poultry environment is kept clean and disinfected.

You must avoid bringing in contaminated equipment, vehicle, and foot wears. You must always de-worm your birds and check them constantly for exo-parasites such as mites. Also, visitors should not be allowed into the poultry environment and ensure that you sterilize your hands before touching the birds.

Non availability and affordability of vaccines

In the agro-allied industry, especially poultry farming; this particular challenge affects the small scale poultry farmers more because; unlike the industrial or commercial poultry farmers who can afford the vaccines, the small scale poultry farmers can’t afford the vaccines.

Adulteration and high cost of poultry food

The price of poultry food is quite costly and birds consume a lot. So most poultry farmers economize or ration the food given to the birds and this affects the output. Also, adulterated poultry food flooding the market is another challenge for poultry entrepreneurs.

This is because the adulteration utters the necessary nutrients the birds need in order to grow well, thus making them unhealthy and reduces their immunity to diseases.