**A FEASIBILITY STUDY BUSINESS PLAN ON POULTRY FARM**

 **PRESENTED BY**

**NAME: HANNAH NKECHI EZE**

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**EXECUTIVE SUMMARY**

A feasibility study plan on the development of a poultry farm for the production of eggs at Ogba/ Egbema/ Ndoni Local Government Area, Rivers State, Nigeria by Hannah Nkechi Eze. The name of the poultry farm will be Hanny Farm Ventures and will concentrate on the sales of eggs and table meat bird.

From the research that was carried out, it was discovered that the demand for eggs and bird meat is not fully satisfied around some areas in Rivers State, though there are already existing poultry farms. The legal requirements for the establishment of this venture such as local government revenue per month (tax) and security payment (vigilante) per month have been inquired and will be carefully complied with.

This venture will help in providence employment to the locals, meeting the demand of eggs and making the price affordable in future. Hanny Farms Ventures intends to develop into other livestock farming structures such as turkey, duck, guinea fowl and quail.

**OPERATIONAL PLAN**

 The firm will be a commercial poultry farm; therefore it will require a full time labour and geared towards productivity on a scale for the sales of egg and sales of broiler birds.

 For egg production, birds usually start to lay at 18-22 weeks of age and continue to lay for twelve months (52 weeks) on average, laying fewer egg as he new mounting period. The typical production cycle last about 17 months (72 weeks) and involves three district phases viz:

Phase 1(Pullets or broilers): This phase lasts from 0-8 weeks during which small chickens (pullets) are kept separately from broilers.

Phase 2(Growers): This period is between 8-12 weeks of age. Growers are the future laying birds and the way they grow up will largely determine how well they do in the laying house.

Phase 3( Layers): The laying period is taken to have started when the birds reach 5% egg production on a daily basis. The number of birds housed is the number of pullet in the laying house when egg production starts.

**SPONSORSHIP**

The project is sponsored by Jinzu farms in Port Harcourt, Rivers State, Nigeria. Jinzu farms is promoting the productivity of small holder farmers in Rivers State with the Jinzu farmer’s cooperative limited.

**MANAGEMENT**

The management will comprise of a democratically elected 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 professionals of proven integrity and vast experience in the project area. The prime objective of the board will be to give strategic directions and policies that will ensure long term success of the organization. The board will ensure that the organization complied with all standards set by regulatory authorities. The Managing Director/President shall be responsible for the co-ordination of the day to day management of the cooperative business. He is accountable to the Board of Directors; he will mobilize organization resources to achieve set goals. He will manage business risks and focus on wealth creation.

**MARKET AND SALES**

Most meals in Nigeria is not complete without poultry output like egg or meat. Nigeria has over 170 million growing population that demand for meat or egg on a daily basis. With increasing awareness on health implication of red meat, they are ever increasing demand for white meat and livestock are source of white meat.

**MARKETING**

Marketing activities include among other grading quality, promotions, packaging and value adding these activities are essentials as they will lead to large volume of sales of product quickly as possible resulting to increase of income.

Eggs should be graded by size and labeled according to it weight. During selection and grading, care must be applied to ensure that weight is uniformed to avoid rejection from customers

**FINANCIAL EVALUATION**

This evaluation is based on birds i.e. layers and broilers

Layers are those birds that lay eggs while broilers don’t lay egg. This evaluation will be based on 5% normal loss i.e. at the process of taking care of the day old chicks; it is possible to lose 5% of the birds to sickness. Therefore if we start with 1000 birds, it is possible for us to lose 50 birds at the process of rearing them. While broilers if we start with 400 birds it is possible for us to loss 20 birds to diseases at the process of rearing them.

**LAYERS**

If layers are been rear, it takes 18 weeks to start laying egg, if we start with 1000 birds and we loss 5% of it so we have 950 surviving layers and with proper management of feeding and other maintenance of the bird it is possible to get 90% egg production that is 855 per day and 5985 pieces of egg every week. If we loss 1% of the egg that is 60 pieces every week so we have 5925 pieces p/weeks. 197 crates of eggs every week and crate of egg is sold accordingly to its size. Small sizeN500, Medium N600, Big size N700. Assuming we use medium size, that is N600 which result to N118500 sales of egg every week.

After laying eggs for 52 weeks (12months) we dispose the layer and it will be sold at the rate of N700 per layers

Therefore, before changing the stock we might have made N6,162,000 from sales of eggs and N665,000 from the disposal of old layers making a sum total of N6,827,000 for the period of 52 weeks (one year)

**BROILERS**

Broilers do not lay eggs but grows to table size when they are from 8 weeks old upward. We are project for 400 birds of broilers and if we have 380 surviving birds sold at the rate of N1,500 each, making a total sales of N570,000 for the period of rearing the broilers. Making it total sales of (570,000 x 3) N1,710,000 for period of 12 months

Total Sales expected for 12 months.

Layers N6,162,000

Broilers N1,710,000

 **N7,872,000**

**CAPITAL EXPENSES**

2 plots of land @ N150,000 N300,000

Block 2000 pcs @ 110 N220,000

Cement 60 bags @ N1800 N108,000

Cement Carriage N3,000

Woods N151,700

Roofing Sheets N126,000

Roofing Slate N25,000

Ceiling Slate N15,000

Reggie’s N7,500

Nails N12,000

Net 15 bundles @ N4000 N60,000

Iron door N43,000

 **N1,071,200**

**SANDS**

Stone Big 2 tipper @ N25,000 N50,000

Sharp sand (Mayans) N20,000

Soft Sand N22,000

 **N92,000**

**TOOLS**

Dayold feeders 30pcs @ N120 N3,600

Dayold Drinker 15pcs @ N200 N3,000

Feeders 60pcs @ N550 N33,000

Drinkers 12pcs @ N2500 N30,000

Shovel & Headpan N2,000

Thermometer (Digital) N8,000

Scale (Digital) N10,000

Geepee Tank 1500litres N23,000

Geepee Tank 500 litres N14,000

Nylon 7 pcs @ N700 N4,900

**WORKMANSHIP**

Carpenter N65,000

Bricklayer N80,000

Miscellaneous N130,000

 **N275,000**

Business Registration N20,000

**PRODUCTION**

1000 pullets @ 140 N140,000

400 broilers @ 130 N52,000

 **N192,000**

**OPERATIONAL EXPENSES**

Feeds, Vaccines & upkeeps N1,330,000

Salaries and stationeries N240,000

 **N1,570,000**

**SUMMARY**

Capital expenses N1,781,700

Operational expenses N1,570,000

**TOTAL EXPENSES N3,351,700**

**TOTAL SALES FOR PERIOD OF 12 MONTHS**

Layers N6,162,000

Broilers N1,710,000

 N7,872,000

**PROFIT = SALES – EXPENSES**

For layers during egg production, the expenses are half of sales of egg will go in for feeds and other operational expenses. i.e. N6,162,000 divide by 2

6162,000

 = 3,081,000

 2

For broiler the cost of production till the birds reaches table size before disposition is between N900 to N1000. So therefore let put the bench mark to N1000. If N1140 broiler is sold at the rate of N1500

1,710,000 – N1140,000 = N570,000

The profit of layers for the period of 12 months = N3,081,000

The profit of broilers for the period of 12 months = N570,000

Total profit = N3,081,000 for layer

 N571,000for broiler

 **N3,651,000**

**USING PAY BACK PERIOD**

This method talks about the number of period that a business investment will pay back amount invested on it. It is usually shows the number of years it would take an investor to recover the initial cost of investment from the expected streams of cash flows. The payback period can be calculated as thus

PBP = Total Investment

Initial Capital

Using Payback Period of loan generating a profit of N3,651,000, 2 years and 8 months.

**CONCLUSION**

The project is technically feasible and commercially viable. It is therefore recommended for funding.