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**BUSINESS PLAN FOR A POULTRY FARM**

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**EXECUTIVE SUMMARY**

Raising poultry birds involves the production of broiler meat and chicken eggs. It’s one lucrative and wide industry that has attracted millions of investors over the years. Niches related poultry farming include

1. setting up a hatchery
2. raising broilers
3. egg production through layer birds
4. marketing and distribution of table eggs
5. Production of poultry farm equipment like drinkers, feeders, etc.
6. sales of poultry vaccines, drugs, feeds, and supplements
7. feed mill operation
8. the construction of poultry pen and battery cage installation

This facility will only produce layer birds to prevent an overlap of ideas and due to the limited resources available. Meaning that in the future, we might decide to bring in more ideas and expand and groom broilers.

It is expected that in the first year of production, the farm should be able to produce about 50 crates of eggs daily and generate up to 1 million as revenue. The grown layers should be sold at the end of a year and the money should be used in getting replacement birds.

The business has decided to collaborate with experts and investors because the business involves bringing together all available industrial facilities that a single business might not be able to provide.

The mission of this business is to build an efficient mechanized poultry farm that is rewarding at the same time, we are expecting to have a successful poultry farm that is highly developed and maintained.

**SPONSORSHIP, MANAGEMENT AND TECHNICAL ASSISTANCE**

1. **Sponsorship:** This project is going to be sponsored by the Food and Agricultural Organisation in Nigeria, a body of government that helps develop and promote the productivity of small scale and large scale agricultural businesses by giving them either funds, equipment or more man power to help improve the business and create sustainable income for farmers
2. **Management:** The management will be carefully selected from professionals in the agricultural sector and mostly specialists in the poultry farm area at the top of their careers in different organisations, also shareholders will also be involved and will have different percentages in the business. The main objective of the selected management team will be to make strategic decisions, bring professional level ideas, make and implement policies that will be followed dutifully by employees, ensure that the business follows and complies with all set standards for agricultural businesses and overall ensure the successful running of the business. The Managing director will be in charge of supervising daily activities of the business.
3. **Technical Assistance:** The business will get technical assistance from its sponsors (FAO) because they will have several partners in the same sector that can help supply of broilers and layers, they will also have partners that specialize in poultry feed and can supply top notch feed at affordable prices for the poultry acquired. FAO can also acquire grants and assistance from foreign agricultural bodies that can help to develop the business and expand it beyond initial expectations.

**MARKET AND SALES**

* Market orientation: domestic; North Central Nigeria and South East Nigeria
* Market share: 12% of market in North Central Nigeria and South East Nigeria
* Users of products: for human consumption i.e. egg production and meat consumption.

**TARIFF AND IMPORT RESTRICTION**

There is an import prohibition in the South East part of Nigeria and also importation of some agricultural equipment that will help in the progress of the business.

**PROFITABILITY**

Temperature, water, air, feed conditions are all biological, chemical, physical and environmental factors that may affect the business negatively, but methods will be developed to counter the effect of those factors in order to retain profit and avoid loss of funds.

**TECHNICAL FEASIBILITY**

* Immediate Goals
1. Increase protein consumption and ensure food security in the community.
2. Develop local economy with the introduction of scale-optimized egg production.
3. Facilitate knowledge transfer and management oversight through partnership with private-sector organizations.
4. Achieve positive cash flow once the layers begin production cycle.
* Long Term Objectives

In addition, the following strategic objectives have been set:

1. Empower youth and the community leaders through creation of a poultry business.
2. Channel business profits to help fund other village facilities, such as schools or orphanages.
3. Improve environmental, agricultural, and business awareness and understanding in the area.
4. Facilitate a transition from subsistence farming toward commercial production.

**GOVERNMENT SUPPORT AND REGULATION**

This business contributes to economic improvement that the government focuses on. It also supports foreign import and exchange, it creates employment, improved market access, income for farmers and support and improve food security objective that the government always pushes for, it will also reduce importation of poultry and eggs from other areas, it will help develop the agricultural sector.

**PROJECT TIMELINE**

This project will be completed within a year specifically between May, 2020 to May, 2021 because a plot of land has to be acquired and poultry houses built, also a reliable vendor has to be selected from a lot of proposals and the poultry have to be bought at 5 weeks fed and grown to egg laying and meat consumption stage.

**ESTIMATED PROJECT COSTS AND REVENUE**

**FIXED COST**

1. **LAND CLEARING**

|  |  |  |  |
| --- | --- | --- | --- |
| Activity  | Quantity | $$₦$$ | K |
| Land purchase and clearing  | 2 hectares  | 1,000,000 | 00 |
| Building  | 2 hectares | 1,000,000 | 00 |
| Labour | 2 hectares  | 500,000 | 00 |
| **Sub total**  | 2 hectares  | 1,000,000 | 00 |
| **Total**  | 600 hectares  | 3,500,000 | 00 |

1. **EQUIPMENT**

|  |  |  |  |
| --- | --- | --- | --- |
| Name  | Quantity  | ₦ | K |
| Tripper  | 1 | 2,000,000 | 00 |
| Cement  | 1 | 500,000 | 00 |
| Tractor  | 1 | 1,000,000 | 00 |
| Insecticide sprayer  | 3 | 400,000 | 00 |
| Net  | 5 | 200,000 | 00 |
| loader  | 2 | 700,000 | 00 |
| **Sub total**  |  | 4,800,000 | 00 |

1. **VEHICLE**

|  |  |  |  |
| --- | --- | --- | --- |
| Type  | Quantity  | ₦ | K |
| Pick up truck  | 2 | 200,000 | 00 |

1. **IRRIGATION**

|  |  |  |  |
| --- | --- | --- | --- |
| Type  | Quantity  | ₦ | K |
| Hose reel | 2 | 30,000 | 00 |

**OPERATING COST**

|  |  |  |
| --- | --- | --- |
| Working Capital  |  |  |
|  | ₦ | K |
| Ploughing/Hectare  | 20,000 | 00 |
| Harrowing/Hectare | 25,000 | 00 |
| Irrigation cost | 1,000,000 | 00 |
| Mechanization and storage  | 500,000 | 00 |
| Sand and blocks  | 40,000 | 00 |
| Area yield insurance  | 32,000 | 00 |
| input | 200,000 | 00 |

**FUNDING MECHANISM**

The FAO will provide all the hectares of land required for the building of the poultry farm and its different sections including the security post and caretaker section and will lease it to all shareholders of the cooperative, they will also help in building the storage unit for the feed and also butchery area.

Equity investors will provide equity for the equipment and vehicle purchase.

**CONCLUSION**

This business is commercially viable and economically beneficial. It is therefore recommended for funding.