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COLLOGE OF SOCIAL AND MANAGEMENT SCIENCES

200 LEVEL

AFE 202 (FOOD PRODUCTION AND HEALTH AWARENESS)

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BUSINESS PLAN FOR THE DEVELOPMENT OF A FISH FARM AT DANJAY'S FARM, NO 2 ASSOCIATION AVENUE, EPE, LAGOS STATE BY DANJAY’S FARMS.

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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**Project Description**

This business plan examines the feasibility of and indeed economic viability of the development of a 300 SqM Fish Farm in Epe, Lagos state by Danjay's Farm. The farm will rear salmon, tilapia, catfish and sardines. The Fish farm would also produce products such as canned sardines, fish fillets, dried fish. Production is currently popular in the South West and North West.

The proposed project will create economic opportunities, impact positively on the people and help conserve scarce foreign exchange. The Fish Farm to be processed will be sourced locally and direct purchase from smallholder farmers in other production areas. The project will create market access, improve income of farmers and contribute significantly to food security. It will also generate satisfactory returns for sponsors and investors.

**Sponsorship**

The project is sponsored by OLADUNJOYE WILLIAMS, a legal luminary and founder of CHEKWORKS LLIMITED. Oladunjoye Williams is promoting the productivity of smallholder farmers in Lagos state.

**Management**

The management will comprise the founder and member of the cooperative who have stake in the survival, growth and profitability of the business as well as distinguished Fish-farming 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.

**Technical Assistance**

The Farm has a relationship with Wakawa farms in abuja. Wakawa farms has mandate in cattle and aquatic rearing. Wakawa farms has agreed to support by supplying free fish feeds to start with and also provide some of their professionals in fish farming to give free training to our workers here at the Danjay’s farm for three months.

**Market and Sales**

Market orientation: domestic; All over Nigeria

Market Share: 5% niche market in South West, South East Nigeria

Users of Products: Fish markets, Hotels, Restaurants, catering companies.

**Competition analysis**

The only places where significant production takes place is in South West, North East Nigeria. Based on this above analysis, competition in terms of production in South West, North East Nigeria is non- existent Compare to the demand for produce.

**Tariff and Import Restriction**

Forex restriction on food importation and zero duty on imported agricultural equipment will favour the project under consideration.

**Market Potential**

There is strong demand for Fish in the South West of Nigeria. The state of infrastructure though not perfect still supports production and trade within Nigeria.

**Profitability**

Weather, biological, chemical, physical and environmental factors such as temperature, sunlight, water, diseases, drainage system, price fluctuations and other risks e.g drying of pond. However, technical, scientific and financial based solutions will be employed to hedge against risks and safeguard profit.

**Technical Feasibility**

In terms of technology, which involve the grinding of fish for the production of fish fillets the industrial processes are simple and a specialist in production of fish fillets with 15years experience is part of our team. The needed equipment for fish grinding are readily available and our experts have hand on experience in the usage and maintenance of the equipment.

For the fish farming itself we have decided to use both natural and artificial ponds. For the natural ponds much work wont be needed but for the artificial ponds they will be cemented and have pipes which would put water into the pond and other pipes to drain the old water. Pumping machines and water treatment has been put in place.

**Government Support and Regulation**

The project conform with the economic diversification objective of the government. It also supports foreign exchange and import reduction conservation of government. It creates economic opportunities, market access, improved income for farmers and support food security objective of government. The project will benefit from government intervention fund in the agriculture sector. The project will also benefit from the favourable policy of zero duty for agricultural and equipment import. Restriction of forex for all food products will also widen market opportunity. The project will contribute significantly to employment, output increase, stable price and stable exchange rate.

**Project Timeline**

The project will be completed within 3months preferably between july , 2020 to September 2020.

**7.0 Estimated Project Costs and Revenue**

**Fixed Cost**

1. **Land Clearing**

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity** | **QTY** | **₦** | **K** |
| Land Clearing | 300SqM | 500,000 | 00 |
| **TOTAL** | 300SqM | 500,000 | 00 |

**(B) Equipment**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name** | **QTY** | **MODEL** | **USD** | **₦** | **K** |
| Artificial ponds | 8 |  | 1,047 | 400,000 | 00 |
| Pumping machines | 5 | FP5242-00-SD | 393 | 150,000 | 00 |
| Aeration | 10 |  | 7000 | 2,695,788 | 00 |
| Seine reels | 12 | 2BFY-6C | 4,950 | 1,782,000 | 00 |
| Scales | 5 |  | 28 | 10,500 | 00 |
| **Sub total** |  |  | **13,418** | **5,038,288** | **00** |

**(C) Vehicle**

**Type Model QTY ₦ K**

|  |  |  |  |
| --- | --- | --- | --- |
| **Pick up Truck** | **HILUX** | **2** | **30,000,000 : 00** |

**Operating Cost**

|  |  |  |
| --- | --- | --- |
| **Working Capital** |  |  |
|  | **₦** | **K** |
| Digging | 185,000 | 00 |
| Sub total | 185,000 | 00 |
| Mechanization and storage | 105,000 | 00 |
| Input / Ha | 91,825 | 00 |
|  |  |  |
| Area yield insurance | 13,500 | 00 |
| Produce aggregation | 5,500 | 00 |
| Geo Spatial Service | 4,500 | 00 |
| Sub total | 23,500 | 00 |
|  |  |  |
|  |  |  |

**Amortization**

**₦ K**

|  |  |
| --- | --- |
| **Land clearing amortization (300SqM)** | **200,000 : 00** |

**REVENUE**

|  |  |
| --- | --- |
| **Yield per 100sqm 3tonnes@ ₦200000 per tonne** |  |
|  | **₦ K** |
| **Revenue per 100sqm** | **600,000 : 00** |
| **For 300sqm** | **1,800,000 : 00** |
| **Net revenue for 300sqm(without amortization)** | **900,000 : 00** |
| **Net revenue with amortization(400ha clearing)** | **865,000 : 00** |
| **2nd Production Cycle** |  |
| **Net revenue** | **600,000 : 00** |
| **Net revenue with amortization(400ha land)** |  |
| **Annual Net Revenue ( 1st + 2nd Cycle)** | **1,465,000 : 00** |

**Currency conversion rate:** **₦360.00 to 1USD**

**Funding Mechanism**

Epe local government will provide 300sqm of farmland.

Equity investor to provide equity for equipment and vehicles purchase .

Where possible equity investor to provide equity for working capital or otherwise secure loan at the rate of 8% 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.