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MATRIC NUMBER: 18/LAW01/021

COURSE: LAW

COURSE TITLE: FOOD SECURITY (AFE 202)

DATE: 26th March 2020

BUSINESS PLAN FOR A SPECIFIC AGRICULTURAL PROJECT

The question may arise, what is an Agricultural Project? This can simply be defined as the acquisition of stocks (including seeds or seedlings), and the preparation, planting, care and harvesting, whether on owned or leased real property, of crops for use as feedstock for any industrial projects owned by the company, together with any real and personal property necessary or appropriate for the administration thereof. It can also be for creation of economic opportunities or for economic benefits which is achieved with the use of available resources based on the objectives of the investment activity.

Now why may one want to venture into an agricultural project?

* A growing industry that yields a lot of profits economically
* The provision of jobs and the improvement of the economy
* When done at a large scale, requires little to less effort on the part of the entrepreneur once he/she is established
* Despite the time lag, It is almost as sure and definite source of income

However, one just can not jump into such a project, one has to sit back and do their research, weigh their pros and cons before considering such a proposal. As the infamous saying goes, “if you fail to plan, you have planned to fail”. This brings me to the second chapter of this, what is a business plan and what are the steps involved?

An agricultural business plan on the other hand can be said to be a roadmap for your farm. It can both be a process and a product. During the writing of this plan, you should develop an overall mission for your business. You think about your short and long term goals. You’ll define the steps needed to achieve the stated goals.

There are five steps involved in the making of a business plan and the eventual decision making involved with settling down with a particular business plan, they are listed as follows:

* **IDENTIFICATION OR SELECTION**
* **PREPARATION AND ANALYSIS**
* **APPRAISAL**
* **IMPLENTATION OR MONITORING**
* **EVALUATION**

1. ***IDENTIFICATION:***  This is the first stage involved in a business plan and decision making, involves finding potential projects which arise from investors, promoters, personal decision influenced by passion, politicians and these ideas could start up from the expansion of an ongoing agribusiness or venture. These ideas could come from government policies, globalization, economic opportunities, financial pressure and others. Possible sources of agricultural project could come from.

* Expansion of existing production
* Import substitution
* Economic diversification
* Export promotion
* Value addition in agricultural export

These projects could also be selected on the following criteria:

* Suitable soil and climatic factors
* Favorable ecological and topographic factors
* Access to available raw materials
* Favorable government policies and support
* Proximity to export market
* Available of large domestic market
* Encouraging investment climate such as tax holiday, input and product subsidy

1. ***PREPARATION AND ANALYSIS:*** The second stage in this cycle is the preparation and analysis of the proposed project. It involves all the work necessary to bring a project to a point where it can be carefully reviewed, appraised and analyzed to determine the suitability of the proposed project for implementation and commitment of scarce resources. The success of a project depends largely on the quality of preparation undertaking by the technical specialists. Agricultural projects preparation task require the input of technical experts in a multi-disciplinary team. The specialists in an agricultural project preparation team include agronomist, agricultural economist, animal scientist, soil scientist, plant scientist, agricultural extension specialist, engineers, financial analyst and so on. The first step in the preparation of agricultural project is to carry out a detailed feasibility study – a blue print that will supply enough information to guide the decision to commit resources to project or otherwise. It is the basis for which a proposed project is accepted or rejected.
2. ***APPRAISAL:*** an imminent analysis of all presumptions made regarding the business project is taken up by an expert analyst to ascertain and realistically approve or review the presumptions. If potential or profit threatening defect is found, it is important that the document be discarded or edited and a new one may be prepared to replace it. The analysis reviews the non-theoretical, mercantile, environmental and monetary aspects of the availability report to establish reality. Analyst will review input prices, expected output, output prices, market share, industry structure, competition, production technology, availability of manpower, availability of inputs, effective demand for the products, target market, sensitivity to price change, profitability e.t.c.
3. ***IMPLEMENTATION|MONITORING:*** The stage where rare resources are committed to a project is that it has been adjudged viable. At this stage implementation is seriously monitored to ensure that actual result reflects the expected result as contained in the business plan document or project plan. Budget is closely monitored for variability and deviation since price is a dynamic variable that is determined by prevailing market conditions and financial ability of the entrepreneur. A control mechanism should be included in the implementation plan to ensure viability of the project at all time. Before venturing into such a business, one should also make room for variations as it has been proven that due to the so much variables in life, theory often rarely matches with practical.
4. ***EVALUATION:*** This is the last because it is the final stage involved in this process. It includes or may be said to be similar to an a account statement as it appraises how far the business has gone, the profits that have been made and how much the initial expectations have been exceeded or not. Lessons are learned as time goes on and evaluations are carried out frequently; may be weekly, monthly, annually, biennially all guided by whatever is stated in the business plan/ guidelines.

**A BUSINESS PLAN INVOLVING A POULTRY**

What is a poultry business? This is a business which involves the breeding of domesticated birds for personal consumption or commercial purposes. Poultry farming is a lucrative but delicate business. Lucrative in the sense that the consumption of the end product; chicken and egg are in constant demand up and down the country and it happens to be a potent source of animal protein outside fish, pork and beef. More importantly, poultry products fall into the category of white meat believed to be healthy for human consumption. However, delicate in the sense that producers are very careful for the birds to avoid disaster which could be as a result of disease infecting the birds, e.g. bird flu. A small but comprehensive business plan is going to prepared below and as follows;

According to the previously stated guidelines above, the first process which involves selection and identification of the feasible business project has been completed. Now the next question should be what are the steps to apply to ensure that the poultry business is on the road running effectively and actively?

**SELECT YOUR POULTRY NICHE**

Choice of the niche of business you would want to start.  There are basically four different branches of poultry business commonly available you can choose to go into, they include:

* Broilers breeding: You can go into this branch for meat production. The day old chicks grow in less than two months
* Breeding of layers: This is for egg production, chickens lay eggs for an average of two years and five months before becoming weak. They can be sold off at this stage.
* Production of poultry feeds: This is another area you can do business, since the market is readily available. Those in the business of raising day old chicks must buy feeds, all you have to do is to produce the best feeds and make contacts with poultry farmers.
* Production of poultry equipment: This is a huge market on its own.  Poultry equipment are so many, you can choose to produce some of them, they include:-

1. Feeders: the device for supplying feeds to the birds
2. Irrigation equipment: The device used for supplying water to the birds
3. Nests: The place chickens lay eggs.
4. Cages: Boxes made specially for keeping  birds
5. Coops: a place where the birds are housed.
6. Incubators: Device to keep eggs warm until they are
7. Perches: Place of rest for birds
8. Brooders or heaters A heated structure for raising young fowl.
9. Waste/disposal system

Now you have an idea of the various aspects of poultry framing business, let us go into the nitty-gritty of how to start poultry farming and succeed in Nigeria.

However I will be discussing about the production of broilers breeding (for meat) and layers breeding (for eggs) since that is what the majority of players in the industry are into. In summary, I will call this poultry farming for beginners.

Next up are the steps involved in the step by step process essential to the poultry farming business:

* **Take time to learn the tricks of the business**: Many people who are quick to rush into the poultry farming business regret afterwards. It is a delicate business and only those who play by the rules succeed because breeding a day old chicks is not something you can be careless about lest the entire chicks die before you wake up from your slumber. So the first thing you do after deciding to go into the business is to start a training course on how to breed chicks. Courses are organized by different agencies on how you succeed on poultry farming. Enroll or consult a farmer, pay a token fee, and he/she will put you through. The reason for this training is that handling day old chicks is extremely technical and a novice in the business must surely get it wrong, leading to the closure of the business. Contact ABC Africa for practical training.
* **Decide on broiler breeding or egg breeding or both and have your investment ready:** Your scale of operation depends on the amount of money you have available and how much you can access from the financial institutions in the course of time. So if your investment runs into millions of naira, you can begin by acquiring a plot of land and putting up a structure deemed appropriate for the business. You must consult an expert in this area if you do not want to lose money. Two areas to invest are commonly undertaking by many people, i.e. broiler chicken for meat and layers for egg. People do engage on this area of poultry business, i.e. poultry farm for poultry feeds. The area is not uncommon and can be very profitable since the danger of losing your chicks as a result of diseases do not apply.
* **Set the location of your farm:** In locating your poultry farm, you must take certain things into consideration such as nearness to the market where the products are going to be sold but away from the town. It must be emphasized that nearness does not mean close to residential areas since it is disallowed by law. Moreover, you must consider the noise and odor coming from the birds. But wherever the farm is located, it must have access to roads, adequate security, power and clean water supply, etc.
* **Put up a poultry farm structure:** There are mainly three types of structures for your poultry. Only two are preferred, one is not recommended.

The three are:

1. Free roaming system: Here the chicks are given the freedom to roam about and fend for themselves.  It is highly not recommended since you do not have control of the birds.
2. The sawdust system: The house where the birds are kept is filled with sawdust and the chicks can move freely about within the enclosure.  The sawdust must be changed frequently in order to keep the chicks safe from disease.
3. The caging system: Here the birds are housed in cages.  Different sizes of cages for different sizes of chicks.  In this battery caging system, there is always provisions for the feeding of the birds, laying of eggs and dropping by the birds.  The battery caging system is highly recommended because each group of birds are housed in a separate cage that  it gives the birds freedom of association but it  could be more expensive. For commercial purposes, the battery caging system and the sawdust system must be large enough to give the bird’s freedom and good ventilation.

* **Procure equipment for the poultry:** The equipment required for poultry business are many and they are all important. Most of them are listed above so you can find out the prices depending on the scale of operation you want to go into.
* **Workers for the poultry:** f you are operating at a low scale (between 150 and 400 chicks) you can safely manage it yourself, but beyond this level, you engage some workers to assist in the daily operations of the poultry. But as a beginner, I would recommend that you operate in a small way until you get more mature. But if however you are a novice, you can engage an experienced person to work with you for a fee until you gain all the knowledge required to be independent.
* **Buying of chicks:** You must research for the trusted poultry farmers and buy from them. Try to avoid the risk of buying unhealthy chicks or chicks that were not properly bred in terms of good nutrition’
* **Feeding the chicks:** At the onset, you can begin with already prepared feeds until you are conversant with the feeds production. So buy already prepared feeds from trusted feeds sellers and wait until such a time you can prepare the feeds yourself. Please for the medication rules, you must vaccinate the birds at the right time and always provide them with clean water as well as maintain proper hygiene to keep the birds healthy.
* **Selling the products:** You must begin consultation from the outset of the retailers of eggs and know the prices that they buy crates of eggs. Collect their names and addresses and inform them that you have a farm and that in a particular time you will begin to supply them with eggs. You must make similar contacts for the sale of live chicken.
* **The budget:** It will be a futile exercise to run down how much it will cost one to start poultry farming. It’s best to make a list of all the equipment you would need in the poultry farming business and do some window shopping in order to gather information on the prices. Also one should not forget to find out the cost a day old chick as well the poultry feeds. This is a basic Poultry farming business plan. One can also prepare a theoretical income statement as an overview for the prepared income and expenses that will be incurred in the actual business as follows:

This is the expected format used to find out theoretically the expenses incurred and the profits made. Poultry farming has many ups and downs and can be profitable if handled with care.  To be successful in the business, you must be very careful, play by the rules and be patient.

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