

KOTUN`S BUSINESS PLAN

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SCHOOL: AFE BABALOLA UNIVERSITY

COURSE CODE: AFE 202

COURSE TITLE: FOOD PRODUCTION AND HEALTH AWARENESS

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OBJECTIVE: A BUSINESS PLAN ON A CHOSEN AGRICULTURAL ENTERPRISE FOLLOWING THE GUIDELINE IN THE NOTE.

**ROAD MAP ON KOM FARMS
AGRICULTURAL BUSINESS**

PRESENTED BY
KOTUN OLADIMEJI MUHAMMAD {KOM} POULTRY
FARMS

**IN PARTNERSHIP WITH NIGERIA POULTRAY ASSOCIATION AND
WORLD POULTRY ANIMALS ASSOCIATION, KELIN FARMS
PRODUCT SWELATE POULTRY, AFBACID FARM MACHINERIES
AND AFRICA POULTRY ANIMALS ASSOCIATION**

THIS BUSINESS PLAN WILL SHED MORE LIGHT AND GIVE MORE DETAILS ON HOW KOM FARMS WILL OPERATE AND PRODUCE ENOUGH PRODUCT TO THE COMMUNITY AND OTHER NEEDED AREAS.

KOM FARMS IS LOCATED IN NIGERIA, LAGOS STATE, ETI-OSA LOCAL GOVERNMENT LEEKI AJAH EXPRESS WAY AJAH NO 4, ADENIYI CLOSE NEAR WATER SIDE. IT WAS LOCATED HERE BECAUSE

FIRSTLY: NO POULTRY PRESENT IN THAT AREA BUYERS AND CUSTOMERS IN NEED GO TO FAR AREAS TO GET THEIR FARM PRODUCT AND POULTRY ANIMALS WHICH WILL BE AVAILABLE IN KOM FARMS

ALSO IT IS LOCATED THERE FOR JOB CREATION. MANY WORKERS WILL BE EMPLOYED TO WORK IN THAT AREA CAUSE IT ONE OF THE MOST POPULATED AREA WHERE LARGE OF UNEMPLOYMENT YOUTH RESIDE.

LASTLY IT IS A WATER LAND SO IT WILL BE EASY TO EXTRACT WATER FROM THE GROUND FOR POULTRY ANIMALS WHICH WILL REDUCE THE EXPENSIS RATE ON THE BUSINESS PLAN.

EXECUTIVE SUMMARY

The utility Study on the establishment of the poultry farm is based on the survey made

by Kotun Oladimeji Muhammad which the business is wholly owned by him. The name of the poultry farm will be name **KOM FARMS** and will concentrate on sales of eggs, turkeys, layers and table meat bird (boilers).

We will supply birds and eggs to different quick service restaurant in lagos, ogun, anambra, kano, abuja, sapele and other southern and western part of the country also we will supply to our neighboring countries like Cameroon, Benni republic, Ghana, Zimbabwe and Kenya. And our vision is to be one of the known poultry farm product supplier in Nigeria with a mission to raise healthy and nutritious birds at a very profitable venture.

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 of Lagos, though they are already existing poultry farms operating around borders of Lagos and Ogun state environment, the poultry farm will be sited at ETI-OSA Local government area in lagos state also in abuja FCT, there are also demand in some part of oyo, delta and various part of the country. There will be smaller stores and poultries in some states like ogun, anambra, kano, abuja, sapele, delta and oyo. These legal requirements for the establishment of this venture such as local government revenue (tax) per month and security payment (vigilante) per month have been inquired and will be carefully complied with.

The venture will help in providence employment to the locals meeting the demand of eggs and making the price affordable in future, **KOM FARMS** intends to develop into other livestock farming structures such as Turkey, Fish, Duck, Guinea fowl and Quail.

STRATEGIES AND IMPLEMENTATION ON SUMMARY OBJECTIVE

- To increase number of our client by 20% within 2 years of existence
- To increase our output percentage within a short period of time
- To evaluate our strategic marketing by every three months
- To keep and maintain hygienic farms for healthy eggs and birds
- To be able to have poultries in other states for easier distributions.

TACTICS AND STRATEGIES IMPACTS

KOM FARMS products will be priced at affordable rate. When a markup is placed on any of our products, customers will be willing to pay because of the affordable price.

The venture to be established is a poultry farm that will concentrate on the production of eggs and sales of broilers, turkey and birds because of the fund required the venture will start as a small scale business having the population of the people neighboring communities and three major Local Government Area of Lagos, which are Eti-osa, Alimosho, Ifako – Ijaiye are target market. The farm site will be a permanent land and will need necessary equipment for its operation as it is entirely new firm to start from the scratch, will have to be acquired.

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 starts to lay eggs at 18-22 weeks of age and continue to produce eggs for Twelve months (52weeks) on average laying fewer egg as the new mounting period. The typical production cycle last about 17 months (72 weeks) and involves three distinct phases as follows:

PHASE 1: Pullets or broilers: This phase last from 0 – 8 weeks during which small chicks (pullets) are kept separately from broilers.

PHASE 2 (GROWERS): This period concerned is between 8 – 21 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. Therefore management during the growing period is very important.

PHASE 3 (LAYERS): The laying period is taken to have started when the birds reach 5% egg production on a daily basis. The laying period continues until the birds are sold at the end of a laying period of normal length or are force mounted Housing time starts with the beginning of the laying period. The number of birds housed is the number of pullet in the laying house when egg production starts.

MARKET POTENTIAL

Most meals in Nigeria are not complete without poultry output like egg or meat. Nigeria has over 200 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 STRATEGY

As we mentioned earlier, resident and families of three local government of Lagos being our target market awareness will be made by means of advertisement. The advertisement will be made on flyers, handbills, TV stations, billboards and in the future marketing will be done to eateries, restaurants and companies that demand for our product. Our major plans in future are eggs supplied to Restaurants, major bakers and hotels and selling of poultry birds during festive period.

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

GRADING

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

BUSINESS EVALUATION OF FARM/FINANCE

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 eggs is sold accordingly to its size. Small size is N600, Medium size is N750, Big size is N1000. Assuming we use medium size, that is N750 which result to N147750 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 N1500 per layers. Therefore, before changing the stock we might have made N7, 683,000 from sales of eggs and N1, 425,000 from the disposal of old layers making a sum total of N9,108,000 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 N2500 each, making total sales of N950000 for the period of rearing the broilers.

Making it total sales of (950000 x 3) N2, 850,000 for period of 12 months

CAPITAL EXPENSES

4 plots of land @ N180, 000	N360, 000
Block 800,000 pcs @ N120	N360, 000
Cement 100 bags @ N2500	N175, 000
Cement Carriage	N5, 000
Woods	N152 000
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	N40, 000

N1, 337, 500

SANDS

Stone Big 2 tipper @ N25, 000	N50, 000
Sharp sand (Mayans)	N20, 000
Soft Sand	N22, 000

N92, 000

TOOLS

Day old feeders 30pcs @ N120	N3, 600
Day old Drinker 15pcs @ N200	N3, 000
Feeders 60pcs @ N550	N33, 000
Drinkers 12pcs @ N2500	N30, 000
Shovel & Head pan	N2, 000
Thermometer (Digital)	N8, 000
Scale (Digital)	N10, 000
Tank 1500litres	N23, 000
Tank 500 litres	N14, 000
Nylon 7 pcs @ N700	N4, 900
1.5KVA Generator set	N100, 000

WORKMANSHIP

Carpenter	N65, 000
Bricklayer	N80, 000
Miscellaneous	N130, 000
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	N507, 000
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PRODUCTION

1000 pullets @ 200	N200, 000
400 broilers @ 150	N60, 000
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	N260, 000
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OPERATIONAL EXPENSES

Business Registration	N20, 000
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Feeds, Vaccines & upkeeps	N1, 500, 000
Salaries and stationeries	N350, 000
	<u>N1, 870, 000</u>

SUMMARY

Capital expenses	N2, 196, 500
Operational expenses	N1, 870, 000
TOTAL EXPENSES	<u>N4, 066, 500</u>

TOTAL SALES FOR PERIOD OF 12 MONTHS

Layers	N9, 108, 000
Broilers	N2, 850, 000
	<u>N11, 958, 000</u>

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

9,108,000

————— = N4, 554, 000

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For broiler the cost of production till those birds reaches table size before disposition is

between N900 to N1000. So therefore let put the bench mark to N1000. If N1000 broiler is sold at the rate of N2000

$$2,280,000 - N1,140,000 = N1,140,000$$

The profit of layers for the period of 12 months = N4,554,000

The profit of broilers for the period of 12 months = N1,140,000

Total profit =	N4,554,000 for layers
	<u>N1,140,000 for broilers</u>
	<u>N5,694,000</u>

CONCLUSION: The project is technically feasible and commercially viable. It is therefore highly recommended for funding. And also create job for less privilege. It will help in easier distribution of eggs and poultry product to their areas of need which costumers will like to patronise us and make good deal with our company. We will also be as cost effective as possible. As mentioned previously, one needs to periodically evaluate the contributions of all resources used in the operation. We look at possibilities for improving cost control through new technologies or cultural practices. We identify key leverage points that can generate the "most bang for the buck". We will compare what other producers are doing with ours. We spend our money wisely given the appropriate management practice can generate major dividends that impact the bottom line. After all our possibilities to improve the budget have been exhausted and long-run earnings still appear satisfactory, then we continue our production in large scale for others to benefit.

THANK YOU