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**A FEASIBILITY STUDY BUSINESS PROPOSAL PLAN  
ON  
PIG FARMING  
DEVELOPED BY  
UDOFIA IDARA EMMANUEL  
FOR  
JANID INVESTMENT PLC**



PS: It is acknowledged by the reader that information contained in this business plan is in all respect confidential in nature and if disclosed to a third party shall cause serious damage to the promoters of the proposed business; therefore the reader agrees not to disclose information of this report to a third party without the permission of the promoter of the proposed business

This document is to be returned immediately upon request to the promoters of the proposed business

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# PIG FARMING

## 1.0. INTRODUCTION

The challenges faced by our country in securing the food as well as nutritional security to fast growing population need an integrated approach in livestock farming. Among the various livestock species, piggy is most potential source for meat production and pigs are more efficient feed converters after the broiler. Apart from providing meat, it is also a source of bristles and manure. Pig farming will provide employment opportunities to seasonally employed rural farmers and supplementary income to improve their living standards. The advantages of the pig farming are: a. Pig has got highest feed conversion efficiency i.e. they produce more live weight gain from a given weight of feed than any other class of meat producing animals except broilers

b. Pig can utilise wide variety of feed stuffs viz. grains, forages, damaged feeds and garbage and convert them into valuable nutritious meat. However, feeding of damaged grains, garbage and other unbalanced rations may result in lower feed efficiency.

c. They are prolific with shorter generation interval. A sow can be bred as early as 8-9 months of age and can farrow twice in a year. They produce 6-12 piglets in each farrowing.

d. Pig farming requires small investment on buildings and equipment.

e. Pigs are known for their meat yield, which in terms of dressing percentage ranges from 65-80 in comparison to other livestock species whose dressing yields may not exceed 65%.

f. Pork is most nutritious with high fat and low water content and has got better energy value than that of other meats. It is rich in vitamins like thiamin, Niacin and riboflavin.

g. Pigs manure is widely used as fertilizer for agriculture farms and fish ponds. h. Pigs store fat rapidly for which there is an increasing demand from poultry feed, soap, paints and other chemical

industries

- i. Pig farming provides quick returns since the marketable weight of fatteners can be achieved with in a period of 6-8 months
- j. There is good demand from domestic as well as export market for pig products such as pork, bacon, ham, sausages, lard etc.

## **2.0. EXECUTIVE SUMMARY**

Feasibility Study on the establishment of a pig farm is based on the survey made by Janetech Enterprises and the business wholly owned by him Mr Idara Udofia. The farm will be name JANID INVESTMENT PLC. and will concentrate on growth of pig farming.

Janid will supply meat to different quick service in the whole of Nigeria and our vision is to be one of the known pork product supplier in Nigeria and abroad with a mission to have piggery and its byproducts at a very profitable venture.

The venture will help in providence employment to the locals meeting the demand of pig meat making the price affordable in future, JANID INVESTMENT PLC intends to develop into other piggery byproducts

## **3.0. AIM & OBJECTIVE**

This business feasibility studies try to show the likelihood of your proposed action succeeding or failing through a careful look at the costs and opportunities involved. This studies helps to determine if a proposed strategic action makes sense operationally and will produce the desired result.

- To boost livestock production
- Pig meat production and supplies

### 3.1 OUR VISION AND MISSION STATEMENT

**Mission Statement:** To ensure effective and efficient production and distribution of meat at affordable prices

**Vision Statement:** To provide top quality meat for healthy living of people all over the world.

### 4.0. Sponsorship

#### Professional and Advisory Support

- Board of directors: Production Manager, Marketing Manager and Administrative Manager which are part of the owner of the Private Limited Liability Company.
- Management advisory board: Mr Sylvester Efosa and Mr Kenechi Nwogwugwu, Jane Franciss Iwuh
- Attorney: Barrister Paulinus James Idio & Co.
- Accountant: Mr James Wesley ,No 15 shelter Afrique , Uyo
- Insurance agent: Mr Essua of Essua Nigeria Agencies, opposite Itam Main Park Itu.
- Banker: United Bank for Africa, Zenith Bank
- E- Commerce Consultant: Mr Oshin Oluwole Omotolani of Brandforte consulting company
- Animal Husbandry Consultant: Dr. E. O Izegaegbe

- Mentors and key advisors Mr Benjamin Nwogwugwu.

The project is also going to be sponsored by High Chief Nnamdi Berlin Okoro, a legal luminary and founder of Unity Farms. High Chief Nnamdi Berlin Okoro is promoting the productivity of smallholder farmers in Enugu through the OkoroTech Cooperative Limited. Toyom Agribusiness Ventures & Consultancy will be responsible for the management consultancy of the projects.

## **5.0. 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.

## **6.0. Technical Assistance/Feasibility**

The OkoroTech Cooperative Limited has working relationship with IITA (International Institute of Tropical Agriculture, Ibadan) through an executed MOU. IITA has mandate in Soya beans production and processing and will provide technical assistance in this regard. The OkoroTech



Cooperative Limited also has a working relationship with BOA (Bank of Agriculture) and we are collaborating on High Chief Nnamdi Berlin Okoro Annual Agric Expo where the founder appreciate Enugu Farmers through monetary award to the best 3farmers in each local government area of the 16 L.G.A in Enugu State and the overall best farmer in the state. Bank of Agriculture has agreed to finance the breeding of the 400 piglets through a loan at 9% interest rate (anchor borrower's scheme) given to the cooperative

The OkoroTech Cooperative Limited will fund the processing factory and access finance for the pig feed extraction equipment from BOI (Bank of Industry) at the rate of 9% . The cooperative will also seek grant from United State Africa Development Foundation(USADF). The OkoroTech Cooperative Limited has relationship with commercial banks and will approach one for loan to clear the land which will be leased to members of the cooperative.

The OkoroTech Cooperative Limited has a working relationship with Enugua State Government, Enugu State Ministry of Agric, Farmers' Union, Agric Cooperatives and individual farmers. The OkoroTech Cooperative Limited will get technical support from this relationship in the area of production through contract farming or outgrower scheme.

The OkoroTech Cooperative Limited has working relationships with and linkages to industry players in the project area who will offtake products through a purchase and sale contract agreement. They include Flour Mill of Nigeria Limited, Obasanjo Farms Ltd, Animal Care, Amo Farms, Farm Support and others. The pig feed will be sold through cooperatives and other distribution channels

## **7.0. 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.

## **8.0. MARKETING ANALYSIS**

### **8.1. Marketing scheme**

There is a good market of pig's meat. You can sell your products in your local market or international market. China is the world largest pig meat consumers. Pig meat is tasty, nutritious and has a great global popularity.

Pig farming in Nigeria has a great business opportunities for unemployed educated people, women and for the people who want to raise pigs commercially. If you are beginner in this business, try to learn more about pig farming, read a lots of books, visit pig farms as much as possible and finally do it.

Starting with just 50 growers, one grower of 3months old is 9000 naira, 50 growers is 450,000 naira.

### **8.2 Target market**

Our target market includes

- Households
- School
- Restaurants

- Hotels
- Students
- Single Popular Markets
- Males and females
- Store.

### **8.3. Marketing Plan**

I plan to use the following marketing tactics

1. Personal contact and letters to butchers, pig farmers, wholesalers, retailers, abattoir and restaurants, hotels and food packaging companies in the major cities of Anambra State.
2. Product packaging by selling my packaged pork and live pigs will be used. This is an added advantage as most meat is exposed without being packaged.
3. Point-of -purchase display and sales outlet will be used.
4. Relationship marketing to pig farmer, and other customers will be employed. This is maintaining relationship and communication. I will visit them; send texts messages on special days in their life in other to maintain relationship.
5. Free samples to food packing companies and restaurant will be used to increase customer interest. This is for our processed product.
6. Publicity for increase awareness of huge benefit of pork consumption and using the medium to advertise our product will be used.
7. Billboards as part of publicity and increasing awareness of our product will be used.
8. Our product will be weighed and sold on scale with increase customer services

9. Our price will be fair, correct price for the value of our product.

10. My marketing and sales manager will personally be responsible for the contacts with the appropriate buyers

When these innovative marketing tactics are employed and the customer show interest to buy, the sales manager will sell to the customers directly. The customers will come to the farm to purchase live pigs. If customers want us to deliver the live pigs, transportation charges will be included. For processed products, it will be delivered to the customer. Sales agent will be employed to sell and distribute the product in the state.

Advertising and Promotion Plans

Short Range Plan (6 to 12): Initially my advertising and promotion will be done on an entirely personal basis without any budget for paid advertising. My customers require personal visitation. It will be my plan to limit my advertising budget to personal travel expenses in making these presentations and follow-up presentations.

Mid Range Plan (12 – 36 months): To establish brand recognition and make name in the market, I plan to budget 10% of sales.

Long Range Plan: I plan to aggressively build recognition and loyalty by budgeting 20% of sales. I will increase advocacy to reduce the negative image of pigs, pig production and pork consumption through workshops, seminars etc, and also collaborate with entertainment and hospitality industries in the marketing of my products. I will call on the Federal Government to advocate on pork consumption, development of products from pork as it exists for beef.

#### **8.4. Sales**

The feeding for growers to maturity stage of reproduction is

Feed Pellets 1 bag per day at 300 \*30 = 9000/month

PKC 20 kg per day at 35 /kg 20\*35\* 30= 21000/month

Cassava peel 1 bag/day at 250 \* 30 = 7500/ month Total = 37,500/month

The total cost for feeding in 8 month =  $37,500 \times 8 = 300,000$

Manpower per/month  $12,000 = 12,000 \times 8 = 96,000$

Vaccination = 20,000

Total Cost =  $180,000 + 300,000 + 96,000 + 20,000 = \text{N}596,000/10\text{pigs}$

Total Cost for 50 pigs =  $\text{N}596,000 \times 5 = \text{N}2,980,000.00\text{k}$

The female pig give birth to minimum of 6 and maximum of 14, with 5 female pig we have the average of  $5 \times 10 = 50$  young ones

The minimum sales price of pig per kg is N400.

The average weight of one 7 month well fed pig is 95kg =  $\text{N}400 \times 95 = 38,000$

The sales price for 20 pigs at 95kg weight minimum =  $20 \times 38,000 = \text{N}760,000$

The price for one month piglets is N4000, for 50 piglets =  $4000 \times 50 = \text{N}200,000$

Total sales =  $\text{N}760,000 + \text{N}200,000 = \text{N}920,000$

Total Sales for 50 pigs =  $\text{N}920,000.00 \times 5 = \text{N}4,600,000.00\text{k}$

## **9.0. Project Timeline**

The project will be completed within 6months preferably between November, 2019 to April, 2020 because land clearing is mostly done in the dry season.

## **9.1. Growth Program**

### **Expansion**

Once my business has been established I plan to implement the following growth strategy. I anticipate it will take approximately five years to gain sufficient experience and level of profits before any expansion plans are implemented. My growth strategy will be guided by the following:

- I will not set an inflexible timetable for expansion but will wait until a sound basis of experience, earnings and cash flow is achieved.
- Accounting and cash flow controls will be in place with profit and loss statements prepared for expansion on a six monthly basis
- Internal controls for accounting, money handling and inventory will be in place. My attorney will review all documentation regarding expansion. This will include leases, employment and incentive agreements, licensing, important commitments customers, etc
- Hiring and training policies will be in place. Fringe benefit plans will be in place. My intention is to delegate authority and responsibility to expansion management personnel with the following conditions in place.

1. Managers will be motivated by a profit incentive plan which will be tied to manager's individual success. My plan will be in writing, simply stated and call for frequent periods of accountability.

2. Capital allocations and signing checks will not be delegated.

## **10.0. Examination of Risk Management and Problems**

### **10.1. Handling Major Problems**

The following risk will be managed:

1. A key customer cancels a contract to buy my pigs or pork.
2. My sales projections are not achieved.

3. Failure to buy feed from a seller or company due to failure to deliver.
4. Public opinion on pork consumption due to religious, cultural and socio economic challenges
5. Failure to find the trained and experienced labor.
6. Death of my animals in the farm.
7. Disease outbreak which cannot be controlled.
8. Death of piglet during delivery due to complications
9. Paying my employee too much
10. Hiring friends and family members rather than most qualified candidate.
11. Under estimating cost of project and other costs
12. Loss of sales
13. Overlooking competition.
14. Not satisfying my customers

My policy in handling problem or risks identified above will be to identify and acknowledge problems promptly and honestly. I plan to put the following policies into effect promptly if and when the following adverse scenarios emerge during my growth program.

The risk of running out of cash: I plan to maintain very frequent monthly cash flow projections. Forecasts for income, expenses and unanticipated contingencies will be stated conservatively. Any period of cash deficits will be remedied promptly by cutting cost to maintain a positive cashflow and profitability. Disease outbreak will be handled by the veterinary doctor and appropriate action taken to prevent further outbreak and loss. Death and other related issues will be handled seriously.

## **10.2 VACCINE FOR PIG**

- Swine pleuropneumonia (*Actinobacillus pleuropneumoniae*): COGLAPIX® is an innovative vaccine based on bacterial toxoids, providing the best protection against all the serotypes of A.p. and a minimal post-vaccination reactions at the same time. From these vaccine features the leading sentence “Gain without pain!”
- Enzootic pneumonia (*Mycoplasma hyopneumoniae*): HYOGEN® with Imuvant™, Ceva proprietary adjuvant and formulated based on a specific strain, provides broad stimulation of the swine immune system. After the single vaccination, Hyogen® provides early and life-lasting efficient protection in market pigs. Hyogen® superior performance demonstrated in numerous comparative trials supports the leading sentence “Superior Enzootic Pneumonia Protection”.
- CIRCOVAC® is an inactivated whole virus based vaccine for use against porcine circovirus type 2 (PCV2). It is the first PCV disease vaccine licensed for use in both piglets and sows allowing a whole life piglet protection.
- Classical swine fever: COGLAPEST® is an attenuated live vaccine with a coloured indicator allowing monitoring of vaccine efficacy.
- Clostridiosis (*Clostridium perfringens* type A and type C): COGLAMUNE® is the only vaccine that contains both  $\alpha$  and  $\beta$  toxoids of C.p. to prevent neonatal diarrhoea in piglets

A drop in sales or insufficient sales

1. I will be prepared to take prompt remedial steps by cutting costs
2. I will improve every aspect of product value, performance and image
3. I will seek out new ways to expand sales
4. I plan to stick with this specialized business that I know best unless fatally defective



Dishonestly, theft, shrinkage: I intend to implement the same policies that have been proven by Panock Piggery and Poultry Farm, one of my biggest competitors.

Business recessions: I am prepared to promptly cut costs to maintain liquidity. I will also be on the lookout for good business opportunity during periods of adversity.

On 25% reduction of sales, I plan to increase cost on advertising to increase sales but maintain cost of production due to increase number of pigs in the farm.

## **11.0. Financial and Economic Plans**

### **11.1. APPENDIX: YOUWIN IMPACT**

Benefit of grant

By receiving grant through YouWin program will help me to achieve the following.

1. My business start-up capital will be free without paying back compared to when I start my business from other sources of financing.
2. My business will grow faster because the money that will be used to payback if it were to be a loan will be used for expansion.
3. My business will help to reduce the importation of certain animals, animal products, meat and meat products sooner compared to when I don't receive the grant.
4. My company will export pork in the future, thereby increasing our foreign exchange. Without this grant, this will take a long time for me to achieve this vision.
5. My business will employ more youth thereby reducing unemployment in Nigeria. I will employ ten youths in one year and increase this employment as my company expands and pay them reasonable salary compared to two I would have employed without the grant.

6. I will have access to other source of financing for expansion easily because of the success and trust that I will enjoy if I receive the grant.

### 11.2. Contingency Plans

I plan to start this business with my four hundred and fifty thousand naira now. How to start with this sum of money is the training I received in Abuja. I plan to start small now if I don't win and grow big tomorrow.

Employment Impact 8 staffs instead of only me.

### 11.3. Economics of Pig Farming

A model economics for pig farming with 20 sows and 2 boars is given below. This is indicative and applicable input and output costs and the parameters observed at the field level may be incorporated.

#### A. Project cost

S/N	Particulars	Amount in ₦	
		Year 1	Year 2
1	Building		
A	Pig sty		
i	for sow @ 20 Sq.ft per sow at ₦150 per Sq.ft for 20 Sows	60000	
ii	For boar @ 70 Sq.ft per boar for 2 boars at ₦180 per Sq.ft	25200	

iii	Farrowing pen at 80 Sq.ft per sow for 8 sows at ₦150 per Sq.ft (Considering always 40 % of pigs in farrowing )	96000	
iv	For piglets @ 10 Sq.ft per piglet for 300 piglets at ₦100 per Sq.ft		300000
v	Store room 200 Sq.ft at ₦150 Per Sq.ft	30000	
vi	Labour quarters 300 Sq.ft @ ₦200 per Sq.ft for 1 labourer	60000	
	<b>Total</b>	<b>271200</b>	<b>300000</b>
2	<b>Piglets for breeding</b>		
i	Cost of 20 four months old gilt weighing about 40 Kg @ ₦80 per Kg live	64000	
ii	Cost of 2 six months old boar weighing about 50 Kg @ ₦90 per Kg	9000	
	<b>Total</b>	<b>73000</b>	
3	<b>Feed (Concentrate and roughage at 50 :50 Basis)</b>		
i	120 Kg concentrate +180 Kg roughage up to maturity for 20 gilts @ ₦12/Kg Concentrate and ₦1.50 /Kg roughage	34200	
ii	2.0 kg feed (1.00 Kg Concentrate+1.00 Kg Roughage) per day per adult sow at above prices	32400	98550
iii	300 Kg per boar (1:1 Con. & Rough) up to maturity	4050	
iv	2.0 kg feed (1 Kg Concentrate+1 Kg Roughage) per day per adult boar at above prices	3249	19710
v	240 Kg per piglet up to marketable age for 200 pig lets		324000

	- 240 days (1:1 Concentrate : Roughage)		
	<b>Total</b>	<b>73890</b>	<b>442260</b>
4	Equipement Rs 200 per animal	4400	
5	Equipments for piglets @ Rs 20 for 300 piglets	6000	
6	Medicines & Vaccines @ Rs 100 per animal	2200	
7	Insurance charges @ 5 % of cost of breeding stock	3650	
8	One labour @ Rs 4500 /month/labour	54000	54000
9	Vehicle hiring for garbage collection	54000	54000
	<b>Total</b>	<b>124250</b>	<b>108000</b>
	<b>Grand Total</b>	<b>542340</b>	<b>850260</b>
	<b>Margin 25%</b>	<b>135585</b>	<b>212565</b>
	0.25		
	<b>Loan</b>	<b>406755</b>	<b>637695</b>

## B. TECHNO ECONOMIC PARAMETERS

S/N	PARTICULARS	
1	No. of sows (6-7 months old)	20
2	No. of boars	2
3	No. of batches	2
4	Purchase price of sow in Rs	3200
5	Purchase price of boar in Rs	4500

6	Sale price of culled sow in Rs	4500
7	Sale price of culled boar in Rs	5500
8	Interval between two batches (months)	3
9	No. of farrowings per year	2
10	No. of piglets per sow per farrowing	11
11	Mortality among piglets (weaners)	20%
12	Mortality among fatteners	10%
13	Mortality among adults is not considered as insurance cover is available	2
14	Weaning period (months)	70
15	Space requirement (sft.)	80
16	Boar	20
17	Lactating sow with it's piglets	10
18	Dry sow	15
19	Fattener of 3-5 months age	13.3
20	Fattener of 6-8 months age	10
21	Store Room	50
22	No. of gunny bags per ton of feed Income from gunny bags (Rs/bag)	16
23	Income from gunny bags (Rs/bag)	12

## 120. Funding Mechanism

OKOROTECH COOPERATIVE LIMITED will provide 200 piglets and lease it to members of the cooperative. OKOROTECH COOPERATIVE LIMITED will also lease out breeding tools as equity contribution

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 9% through government intervention window at the Bank of Agriculture, Bank of Industry and Commercial banks

### **13.0. Conclusion**

The project is technically feasible and commercially viable. It is therefore recommended for funding. Therefore, we are ready to work.

