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 A BUSINESS PLAN FOR THE DEVELOPMENT OF A POULTRY FARM AT LIVING SPRING FARM, KUJE ABUJA BY KALU AGRIBUSINESS VENTURES AND CONSULTANCY CONFIDENTIALITY AGREEMENT.

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: IBEM CHIOMA FAITH

Date:

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**PROJECT DESCRIPTION:**

This business plan examines the feasibility of and indeed economic viability of the development of a 500 poultry in kuje Abuja by living spring Farm. Living spring farm will rear chickens, turkeys, goose, ducks guniea fowl, quail, pigeons. The poultry farm would also produce products such as different varieties of eggs, meats, feathers (pillows and coats). Production is currently popular in the eastern part of Nigeria. The project will create economic opportunities, impact positively on the people and help conserve scarce foreign exchange. It will also generate satisfactory returns for sponsors and investors.

**SPONSORSHIP:**

The project is sponsored by EMEKA KALU, a legal luminary and founder of GOLD SHOWERS LIMITED. Emeka kalu is promoting the productivity of smallholder farmers in Abuja.

**MANAGEMENT:**

The management will comprise the founder and member of the cooperative this will be made up of shareholder who have stake in the survival, growth and profitability of the business. 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:**

With the Farm has a relationship with farms in abuja. Rayuwa farms ltd farms has mandate in fish rearing/poultry. They have agreed to assist with the development of the farm. Kalu also has a working relationship with FIRST BANK and also UBA

**MARKET AND SALES:**

Market orientation: domestic; All over Nigeria.

Market Share: 8% niche market in eastern part mostly

Users of Product: for good meat, for the use of fashion, egg.

**COMPETITION ANALYSIS:**

The only places where significant production takes place is in eastern part of Nigeria. Oyo state the ota farm alone made about 34million in 1990 with very satisfactory results. Taraba, Plateau, Kano, Niger and katsina produced and below in the period. In Africa, agriculture has remained at the forefront of economic activities, thus, accounting for 30 percent of the national income and large proportion of the overall exports. For this reason, both public and private concerns in the agricultural sector continue to increase, The popularity of poultry birds in Nigeria is noteworthy and can be attributed to the numerous benefits associated with poultry production and other value chain.

**TARIFF AND RESTRICTION:**

Nigeria depends on imports, but has a prohibitive import regime with several import bans in place. The main reason for the restrictions is the protection of local industry or, in more recent times, to attract investment in local alternatives to imported goods. This may result in goods being banned before local supply can meet demand as is the case with the ban on furniture imports. Where goods are not banned, they may be subjected to high importation tariffs and duties or a quota system. As of June 2017, there are at least 25 items that have been banned from being imported into Nigeria: certain textiles and footwear, furniture, poultry, beef and pork, bagged cement, soaps and detergents, certain medicines, corrugated paper, ballpoint pens among others.

**MAKERT POTENTIAL:**

There is strong demand for poultry in the eastern part of Nigeria. The state of infrastructure though not perfect still supports production and trade within Nigeria. Rural poultry production is an hobby with about 85% of rural household in a Africa rearing domestic fowl (chicken) or a mixture of chicken and other types of poultry while still engaging in other vocation such as trading, farming, fishing, and hunting. Nigerian farmers are already making profits in poultry production. There is reason to hope that even more farmers can improve their financial condition through poultry farming.

**PROFITABILITY:**

Weather, biological, chemical, physical and environmental factors such as temperature, sunlight, water, diseases, good drainage system, price fluctuations and other risks. 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 meat for the production of dambunama the industrial processes are simple and a specialist in production of meat with 10years experience is part of our team. The needed equipment for meat grinding are readily available and our experts have hand on experience in the usage and maintenance of the equipment. For the poultry itself we have decided to use a good land that is well fertilized and spacious. Incubators will be put in place for the eggs, feeders will be there also for the ducks little ponds will be placed there,.

**Government Support and Regulation**

The project conform the economic diversification objective of the government. It also supports foreign exchange and import reduction conservation of government. It creates economic opportunities, market access, 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 5months between septermber, 2020 to january 2021. because land clearing is mostly done in the dry season.

 Estimated Project Costs and Revenue

Fixed Cost

1. Land Clearing

|  |  |  |  |
| --- | --- | --- | --- |
| Activity | QTY | ₦ | K |
| Land Clearing | 400 | 500,000 | 00 |
| TOTAL | 400 | 500,000 | 00 |

(B) Equipment

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Name | QTY | MODEL | USD | ₦ | K |
| Pan and jar type. | 20 | ALEKO 2PFD002 Chicken Hen Feeder Poultry Feeding Pan Set  |  2,049 | 400,000  | 00 |
| Linear feeder   | 19 | New HLF50-M linear feeder  | 993 | 15,000  | 00 |
| Shell grit box  | 15 |   |  4,950  | 2,695,788  | 00 |
| Incubator | 15 |  InfoDev Process Model (2009)  |  1,700.00 | 2,900.00  | 00 |
|  Scales |  |   | 40 | 15,500  | 00 |
| Sub total  |  |  | 9732 | 3129188 | 00 |

(C) Vehicle

Type Model QTY ₦ K

|  |  |  |  |
| --- | --- | --- | --- |
|  Bulk-feed transported Truck  |  CLW5161ZSLD4  | 4 | 80,000,000 : 00 |

Operating Cost

|  |  |  |
| --- | --- | --- |
| Working Capital |   |  |
|   |  ₦  | K |
| Land lease |  213,000  | 00 |
| Sub total  |  213,000 | 00 |
| Mechanization-and equipment |  425 ,000  |  00 |
| Input  |  91,825 |  00 |
| Sub total |  942825 |  00 |
| Area yield insurance |  13,500 |  00 |
| Produce aggregation |  5,500 | 00 |
| Geo Spatial Service |  5,500 |  00 |
| Sub total  |  23,500 |  00 |
| Loan principal and interest (cost per Hectare) |  48000  | 80 |
| Total for 400Ha | 19200000 |  00  |
| Irrigation cost for 400Ha (excluding fixed cost) | 19199600 | 00 |

Amortization

 ₦ K

|  |  |
| --- | --- |
| Land clearing amortization (600SqM) |  200,000 : 00  |

 REVENUE

|  |  |
| --- | --- |
| Yield per hectare 3tonnes@ ₦145000 per tonne |  |
|   |  ₦ K |
| Revenue per hectare |  435,000 : 00  |
| For 400Ha |  174,000,000 : 00 |
| Net revenue for 400Ha(without amortization) |  67,038,300 : 00 |
| Net revenue with amortization(400ha clearing) |  55,038,300 : 00 |
| 2nd Production Cycle |   |
| Net revenue |  43,020,180 : 00 |
| Net revenue with amortization(00ha land) |   |
| Annual Net Revenue ( 5st + 6nd Cycle)  |  98,058,480 : 00  |

**Funding Mechanism**

 Rayuwa will provide 500Ha of cleared farmland around the area and lease it to members of the cooperative.

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.

**Conclusion**

The project is technically feasible and commercially viable. It is therefore recommended for funding for the project being needed poultry is one of the main agricultural business in Nigeria with this contribution made for the business it is sure that 100% sure the business will grow very well by serving the nation and meetings its needs.