

A FEASIBILITY STUDY BUSINESS PLAN

ON

POULTRY FARMING

PRESENTED BY

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INTRODUCTION / EXECUTIVE SUMMARY

Nigeria like most of the developing countries suffers from protein deficiency in the diet of the people. This problem is becoming more and more acute with the increase in population. Increase in poultry production through poultry could be an important source of animal protein. The successful implementation of poultry projects depends upon a number of parameters, such as proper selection of site, land and water quality, project management on scientific lines etc. The present report has been prepared keeping all these parameters in view.

Purpose

The purpose of the study is to assess the viability of the establishment of a poultry farm at Ilora in Afijio Local Council Development Area, in Oyo state, Nigeria

Project description

- The poultry project is for the purpose of producing eggs and chicken for sale. The project would be located at Ilora in Afijio local council development area in Oyo state, and would produce eggs and chicken.
- The labor required would be available, particularly the unskilled, which are readily available in the project area. Manual construction would be adopted for the construction of the poultry pen because of the economic advantages. There is abundant unskilled manpower in the project environment. The market existing in the area, surrounding the project has not been exploited. The project market is therefore unlimited and all eggs

produced would be a ready market. The demand for eggs and chicken is far higher than the available production.

- Required electric power would be supplied by a 2.7 KVA generator. The electric supply would be used in pumping water from the borehole.
- The project is financially viable and at the envisaged scope of operation (1 years). A short term loan of N22, 000,000(Twenty-two million Naira), is to be raised. From the first year, the project would generate sufficient cash to sustain production. The loan would be defrayed in the third year of the project.
- The project is socio-economically viable. It would create employment and has no discernible hazardous impact on the environment(the poultry waste is rather used as manure for crop farming).
- There would be no difficulty in the introduction of the technology to be adopted for the project. The manager of the project will be an adequately trained personnel with skills in poultry farming .
- The projections for the project take care of bills payable from the first year.

PROJECT BACKGROUND AND CONCEPT

Ilorra is a town in Afijio Local Council Development Area. Ilora is surrounded by some major cities where there is high demand for eggs like Oyo, Ibadan and others.

However the nutritional society expected intake of animal protein from eggs is put at 1 egg per person, per day and with the population available in these areas far supases the egg production

from the available number of poultry farms. Therefore the demand for eggs is far greater than the supply.

Market for poultry products

The poultry farm proposed is expected to supply poultry products which would include the eggs and chicken to Ilora and its neighboring communities at affordable prices. The town is located in a state with a population of over 20million people. The demand for egg in both towns and cities is huge and some of the eggs from the farms can be transported to these places for sale to increase the market for the product.

Project location

Prior to the determination of site suitability, a careful consideration has been given to the easy accessibility of sufficient quantity of water, easy accessibility to the site, proper climatic conditions, easy availability of production inputs, socio-economic aspects, marketing channels etc. The project would be located on a 200 x 400m piece of land at Ilora town . There is a cluster of poultry farms in Ilora which is an attraction to egg suppliers from all neighbouring towns and cities and this especially makes the available poultry farms not meeting up with demand. The cost of land is considerably low because the town is a rural area.

PROJECT TECHNICAL FEASIBILITY

The project would be in two separate compartments: The nursery pen unit and the main unit starting from point of lay this unit would include the battery cages. The production section would be concerned with the production of eggs and chicken after laying. There would be 2 sections of pen, the nursery area and the main portion of the pen where the birds will be transferred into cages at point of lay. In the 1st year of operation, the poultry pen would be constructed and stocked. The nursery pen would have a stocking density of 5,000 day old layer chicks . It is expected that units of production would be increased by 2,500 birds at the end of the first year.

Risks /challenges

- **POWER:** Ilora town is located in a rural area and the supply of power to the area is poor. For the project to be successful, it would rely largely on power supply from the generator which could increase the operational cost.
- **DISEASE :** Diseases that affect birds which could be really infectious especially where we have clusters examples are bird flu, fowl pox, meningitis etc.
- **SECURITY :** There are security challenges in the area which may result in losses if not properly managed. However, this can be managed by using locals who are conversant with the environment as security personnel.

ECONOMIC /FINANCIAL PLAN

Cost of land and fish farm infrastructure development

Activity	Amount (=N=)
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A. Cost of land and development	
Land acquisition of 2 plots of land	500,000
Survey of land	100,00
Construction of pen	1,000,000
Total	1,600,00
B. Poultry farm infrastructure development	
Cost of farm house /office	2,000,000
Fencing of the farm	1,500,00
Generation of power (2.7 KVA)	100,000
Water pump	60,000
Borehole	200,000
1 800 liter tank	150,000
Total	4,010,000
C. Poultry production and	

laying materials	
Equipments (nursery feeders, drinkers, crates, cages etc)	1,500,000
Total	1,500,000
D. Salaries and wages of staffs	
1 farm/ project supervisor	360,000
2 farm assistants	480,000

1 security	240,000
Total	1,080,000
E. Variable inputs	
5000 day old layers	1,000,000
Feed for 5 months	12,000,000
Drugs (antibiotics,	200,000

multivitamins)		
Transportation		100,000
Total		11,300,000
F. Other operational cost		
Fuel		
Maintenance on equipment		200,000
Stationeries		50, 000
Total		250,000
Grand total		21,650, 000

Operational costs

The operational costs for the poultry farm include the cost of the day-to-day management of the poultry , the wages and salaries of staff and procurement of other operational inputs. The purchases for all the materials making up the poultry equipment will be made from Oyo and Ibadan and transported to the project site.

Salaries and wages

The estimated total annual expenditure on wages and salaries is estimated at =N=1,080,000.

Variable costs

The total variable costs of the project amount to =N=11,300,000 for procurement of day old layer chicks, feed and drugs like antibiotics and multivitamins.

Amortization of cost

All of the capital expenditure would be made in the 1st year of implementation of the project. Already, land acquisition, land surveying and poultry designing have been completed. It shows that the 1st year of the project, a total expenditure of (=N=22,000,000) would be made to take care of the operating costs of the project. The project would be capable of generating sufficient funds to take care of all the operational expenditures after 6 months when laying has started .

ESTIMATED REVENUE

For the purpose of this feasibility report, the revenue expected is restricted to the operation of the production pens. The poultry when fully stocked would have a total density of 5,000 day old chicks making provision for mortality at 15% matured layer birds. The number of birds at the point of lay would be 4,850. It is expected that the 4,850 birds would lay one egg each per day so at that rate 160 crates of egg would be harvested per day and a crate of eggs would sell for =N=800. Sales and total estimated revenue for the 1st year of production would therefore, is =N=30,720,000. With a modest estimated annual increase in the prices of eggs by 10%, the estimated revenue accruing from the project for the first 2 years would be as shown in the table below:

Year	Income(=N=)
1	30,720,000
2	45,720,000

The Farm /project supervisor would be trained in animal breeding and have acquired skills to provide technical and specialized leadership needed for the management of the poultry. He would be personally responsible for the day to day running of the poultry farm. The positions of the farm assistants would be occupied by men/women who have acquired some form of formal or informal experience in poultry farm management. It is also expected that they would be trained practically on the job.

CONCLUSION

The poultry farm, when in full operation would have tremendous economic and socio economic well-being of the people in Afijio Local Council Development Area and the entire Oyo/Ibadan zone. The farm would greatly contribute to the existing poultry farms and thereby increase the supply of poultry products to the people around the project site. This can aid the increased intake of protein by majority of the people as it would be affordable and accessible. The project would provide direct employment for people for this operation. This is a significant contribution to the economic well being of the people and social improvement of the project environment. The poultry farm would be a highly profitable project which would generate sufficient cash to sustain production from the second year. The profits from the project would be able to repay the loan and interest within the first 2 years.