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ASSIGNMENT

BUSINESS PLAN FOR POULTRY FARMING

❖ Industry Overview

The agricultural industry of which poultry farming and egg production is a subset of is no doubt among the leading industry in most countries of the world; it is the industry that produces chicken and eggs for the populace. Because of the significant role the agriculture sector plays, the government of most countries ensures that they go all the way to subsidize seedlings, fertilizers, and farming implements and machinery for farmers and also encourage entrepreneurs to go into commercial farming (poultry farming inclusive).

Poultry farming is a highly thriving and profitable business venture. Aside from the fact that people consume birds and chickens et al, supply of eggs is also a major source of revenue generation for poultry farmer. Players in the poultry farming and egg production industry basically raise chickens for meat, and egg production. .

❖ Executive Summary

These are the areas we will concentrate on in our commercial poultry farms. If need arises we will definitely add more poultry produce to our list;

Raising, processing and marketing chickens on a commercial level; we export chickens, processed chickens and eggs to other countries of the world.

Table eggs produced by battery chickens (white)

Table eggs produced by battery chickens (brown)

Hatching eggs

Specialty eggs

Table eggs produced by free-range chickens

We will ensure that we hire people that are qualified, hardworking, and creative, result driven, customer centric and are ready to work to help us build a prosperous business that will benefit all the stake holders (the owners, workforce, and customers

As a matter of fact, profit-sharing arrangement will be made available to all our senior management staff and it will be based on their performance for a period of five years or more as agreed by the board of trustees of the company. In view of the above, we have decided to hire qualified and competent hands to occupy the following positions;

- Chief Operating Officer
- General Farm Manager
- Human Resources and Admin Manager
- Accountant / Cashier
- Sales and Marketing Executive
- Field Employees
- Front Desk Officer
- Roles and Responsibilities

★ Chief Executive Officer – CEO:

Increases management's effectiveness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results; developing incentives; developing a climate for offering information and opinions; providing educational opportunities. Responsible for providing direction for the business, Creates, communicates, and implements the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.

Also responsible for signing checks and documents on behalf of the company and finally evaluates the success of the organization.

★ General Farm Manager

Responsible for the planning, management and coordinating all farm activities across the various sections on behalf of the organization.

Ensures compliance during project executions

Provides advice on the management of farming activities across all section

Responsible for carrying out risk assessment.

Responsible for overseeing the accounting, costing and sale of poultry farm produce

Represent the organization's interest at various stakeholders meetings

Ensures that farming goals desired result are achieved, the most efficient resources (manpower, equipment, tools and chemicals et al) are utilized and different interests involved are satisfied.

Responsible for preparing financial reports, budgets, and financial statements for the organization

★ Human Resources and Admin Manager

Updates job knowledge by participating in educational opportunities; reading professional publications; maintaining personal networks; participating in professional organizations.

Enhances department and organization reputation by accepting ownership for accomplishing new and different requests; exploring opportunities to add value to job accomplishments.

Defines job positions for recruitment and managing interviewing process

Carries out staff induction for new team members

Responsible for training, evaluation and assessment of employees

Oversees the smooth running of the daily office.

★ Accountant / Cashier:

Responsible for preparing financial reports, budgets, and financial statements for the organization

Provides managements with financial analyses, development budgets, and accounting reports; analyzes financial feasibility for the most complex proposed projects; conducts market research to forecast trends and business conditions.

Responsible for financial forecasting and risks analysis.

Performs cash management, general ledger accounting, and financial reporting for one or more properties.

Responsible for developing and managing financial systems and policies

Responsible for administering payrolls and ensures compliance with taxation legislation.

★ Sales and Marketing Manager

Manages external research and coordinate all the internal sources of information to retain the organizations' best customers and attract new ones

Models demographic information and analyze the volumes of transactional data generated by customer

Identifies development opportunities; follows up on development leads and contacts; participates in the structuring and financing of projects; assures the completion of development projects.

Writes winning proposal documents, negotiate fees and rates in line with organizations' policy

Responsible for handling business research, market surveys and feasibility studies for clients

Responsible for supervising implementation, advocate for the customer's needs, and communicate with clients

Develops, executes and evaluates new plans for expanding increase sales

Empowers and motivates the sales team to meet and surpass agreed targets.

★ Field Workers / Contract Staff

Responsible for daily collection of eggs

Responsible for feeding chickens and other birds as instructed by the supervisor

Responsible for cleaning poultry and the entire environment

Handles poultry farm implements and machines (hatchery) as instructed by the section manager.

Assists in transport working tools and equipment from the poultry farm and back to the designated store room

Handles any other duties as assigned my the line manager

★ Front Desk / Customer's Service Officer

Welcomes clients and potential clients by greeting them in person, online or on the telephone; answering or directing inquiries.

Ensures that all contacts with clients (e-mail, walk-In center, SMS or phone) provides the client with a personalized customer service experience of the highest level through interaction with clients on the phone, uses every opportunity to build client's interest in the company's products and services.

Manages administrative duties assigned by the creative director in an effective and timely manner

Consistently stays abreast of any new information on the organizations' products, promotional campaigns etc. to ensure accurate and helpful information is supplied to clients when they make enquiries.

❖ **SWOT Analysis**

We know that if we get it right from the onset, we would have succeeded in creating the foundation that will help us build a standard commercial poultry farm and egg production company that will favorably compete with leading commercial poultry farms and egg production companies like Cal – Maine, Land O'Lake, Inc., Michael Foods and Rose Acres Farms in the United States of America and in the rest part of the world.

We engaged the services of a core professional in the area of business consulting and structuring to assist our organization in building a well – structured commercial poultry farm and egg Production Company that can favorably compete in the highly competitive commercial poultry farms and egg production industry in the United States and the world at large.

➤ **Strength:**

Our strength as a commercial poultry farm and egg production company is the fact that we have some of the latest commercial poultry farming hatchery, tools and equipment that will help us raise and produce eggs in commercial quantities with less stress.

➤ **Weakness:**

Our weakness could be that we are a new commercial poultry farms and egg production company, and perhaps it might take us sometime to attract big time customers in the industry. We are aware of this and from our projection will overcome this weakness with time and turn it to a major advantage for the business.

➤ **Opportunities:**

The opportunities that are available to us as a commercial poultry farm and egg Production Company cannot be quantified, we know that there are loads of households, and businesses such as hotels and fast food restaurants that can't do without daily supply of chicken and eggs. We are well positioned to take advantage of this opportunity

➤ **Threat:**

Some of the threats and challenges that we are likely going to face when we start our own commercial poultry farm and egg production company are global economic downturn that can impact negatively on household spending, bad weather cum natural disasters (draughts, epidemics), unfavorable government policies and the arrival of a competitor (a commercial farm

that engage in the rearing of chickens and other birds) within same location.

There is hardly anything you can do as regards this threats and challenges other than to be optimistic that things will continue to work for your good.

❖ **MARKET ANALYSIS**

Naturally, the target market of those who are the end consumer of commercial poultry farm produce and also those who benefits from the business value chain of the poultry farming and egg production industry is all encompassing; it is far – reaching.

Every household consumes produce from commercial poultry farms be it chicken or egg. So also almost all hotels and fast restaurants sell chicken and eggs. In essence a commercial poultry farmer should be able to sell his or her chicken and eggs to as many people as possible.

In view of that, we have positioned our business to attract consumers of chickens and eggs in every parts of the world. We have conducted our market research and survey and we will ensure that we meet and surpass the expectations we set for the business.

Below is a list of the people and business that we will market our chickens and eggs to;

- a) Households
- b) Individuals
- c) Hotels
- d) Restaurant
- e) Fast food eateries
- f) Agricultural merchants

❖ **SALES AND MARKETING STRATEGY**

We are quite aware that the reason why some commercial poultry farms and egg production companies hardly make good profits is their inability to sell off their chickens and eggs as at when due.

Our sales and marketing team will be recruited based on their vast experience in the poultry farming and egg production industry and they will be trained on a regular basis so as to be well equipped to meet their targets and the overall business goal.

Over and above, we have perfected our sale and marketing strategies first by networking with agriculture merchants and businesses that rely on daily supply of chicken and eggs from the

poultry farms and egg production industry that are likely to become our customers.

In summary, we will adopt the following strategies in marketing our commercial farm produce;

Introduce our business by sending introductory letters alongside our brochure to stake holders in the agriculture industry, households, hotels and restaurants and agriculture produce merchants et al.

Advertise our business in agriculture and food related magazines and websites

List our commercial poultry farms and egg production business on yellow pages ads

Attend related agriculture and food expos, seminars, and business fairs et al

Leverage on the internet to promote our business

Engage in direct marketing

Encourage the use of word of mouth marketing (referrals)

❖ **Our environment and Pricing Strategy**

Some of the factors that will help us sell our farm produce at the right price and that will guarantee us in make profits is dependent on our strategy. For example, if the climatic condition is unfavorable and if there is natural disaster in the location where we have our commercial poultry farm, then it will directly affect the prices of our chicken and eggs.

Over and above, to get the right pricing for our chicken and eggs, we are going to ensure that we choose a good location for commercial poultry farm, choose a good breed that will guarantee bountiful harvest, cut the cost of running our poultry farm to the barest minimum and of course try as much as possible to attract buyers to your poultry farm as against taking our eggs and chickens to the market to source for buyers; with this, we would have successfully eliminate the cost of transporting the goods to the market and other logistics.

We are quite aware that one of the easiest means of penetrating the market and acquiring loads of customers for all our eggs and chickens is to sell them at competitive prices hence we will do all we can to ensure that the prices of our poultry farm produces are going to be what other commercial poultry farmers would look towards beating.

❖ **Government support and Regulation**

The business plan conform with the economic objective of the government. It also supports foreign exchange and import reduction conservation of government. It creates economic opportunities, market access, and support food security objective of government and also

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. The project will contribute significantly to employment, output increase, stable price and stable exchange rate.

❖ **Publicity and Advertising Strategy**

We intend growing our business which is why we have perfected plans to build our brand via every available means.

We know that it is important to create strategies that will help us boost our brand awareness and to create a corporate identity for our commercial poultry farm and egg production business. So therefore we would boost our commercial poultry farm and production brand and promote and advertise our business by;

Placing adverts on community based newspapers, radio stations and TV stations.

Encouraging the use of word of mouth publicity from our loyal customers

Also leverage on the internet and social media platforms like; YouTube, Instagram, Facebook ,Twitter, LinkedIn, Snapchat, Badoo, Google+ and other platforms to promote our business.

We would ensure that we position our banners and billboards in strategic positions around the country

We would distribute our fliers and handbills in target areas in and around our neighborhood

Contact corporate organizations, households, landlord associations and schools by calling them up and informing them of the poultry farm and the poultry produce we sell

We would also advertise our business in our official website and employ strategies that will help us pull traffic to the site

Finally brand all our official cars and trucks and ensure that all our staff members and management staff wears our branded shirt or cap at regular intervals.

❖ **Our Startup Budget and Expenditure with estimated cost**

The different type of birds to be raised in a commercial poultry farm determines the total cost of setting up the business.

Our detailed cost analysis for starting a commercial poultry farm and egg production business; might differ in other countries due to the value of their money. Below are some of the basic areas we will spend our start – up capital in setting up our commercial poultry farm;

The Total Fee for incorporating the Business (commercial farm) – #750.

The amount needed to acquire / lease a farm land –#50,000

The amount required for preparing the farm land (poultry fencing et al) – #30,000

Legal expenses for obtaining licenses and permits as well as the accounting services (software, P.O.S machines and other software) – #3,300.

Marketing promotion expenses for the flyer printing (2,000 flyers at #5 per copy) for the total amount of #10000

The total cost for hiring Business Consultant – #5000.

The total cost for payment of insurance policy covers (general liability, workers' compensation and property casualty) coverage at a total premium – #9,500

The amount required for the purchase of the first set of chickens – #10,000

The cost for acquiring the required working tools and equipment / machines / hatchery et al– #50,000

Operational cost for the first 3 months (salaries of employees, payments of bills et al) – #100,000

The Cost of Launching an official Website – #1000

Additional Expenditure (Business cards, Signage, Adverts and Promotions et al) – #2,000

Going by the report from detailed research and feasibility studies conducted, we will need an average of # 269,550 to start a standard commercial poultry farm and egg production business in Nigeria.

❖ **Funding mechanism**

These are the areas we intend generating our start – up capital;

Generate part of the start – up capital from personal savings

Source for soft loans from family members and friends

Apply for loan from my Bank

❖ **Sustainability and Expansion Strategy**

One of our major goals of starting this poultry farm is to build a business that will survive off its own cash flow without the need for injecting finance from external sources once the business is officially running. We know that one of the ways of gaining approval and winning customers

over is to retail our chickens and eggs a little bit cheaper than what is obtainable in the market and we are well prepared to survive on lower profit margin for a while.

❖ **Conclusion**

This poultry farming industry will make sure that the right foundation, structures and processes are put in place to ensure that our staff welfare are well taken of. Our company's corporate culture is designed to drive our business to greater heights and training and re – training of our workforce is at the top burner.

As a matter of fact, profit-sharing arrangement will be made available to all our management staff and it will be based on their performance for a period of six years or more. We know that if that is put in place, we will be able to successfully hire and retain the best hands we can get in the industry; they will be more committed to help us build the business of our dreams.