BUSINESS PLAN FOR THE DEVELOPMENT OF A POULTRY FARM AT HAZUSMA FARM, NO 12 SABONGIDA VILLAGE, RIGACHIKUN, KADUNA STATE BY TOYOM 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.

It is acknowledged by the reader that information furnished in this business plan is in all respect confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of the same by the reader, may cause serious harm or damage to the promoters of the proposed business.

Upon request, this document is to be immediately returned to the promoters of the proposed business

Signature:

Name: ABDULKARIM ZULAIHAT

Date:

**CONTENTS**

1. Summary/ Brief Description
2. Sponsorship, Management and Technical Assistance
3. Market and Sales
4. Technical Feasibility, Resources and Environment
5. Government Support and Regulation
6. Timelines of Projects
7. Estimated Project Cost and Revenue
8. Funding Mechanism
9. Conclusion

**Project Description**

 This business plan examines the feasibility of and indeed economic viability of the development of a 5000Sqft Farm in RIGACHIKUN, Kaduna state by HAZUSMA Farm. The farm will consist of a total of 2,000 egg laying hens shared in battery cages within a pen house. The Poultry farm would produce products such as Eggs, meat and feathers. Production is currently popular in the North West and North Central.

**Sponsorship**

 The project is sponsored by FARMCROWDY, which is Nigeria’s First Digital Agriculture Platform that empowers rural farmers, with its CEO as ONYEKA AKUMAH.

**Management**

 The management will comprise the founder and member of the cooperative who have stake in the survival, growth and profitability of the business.

**Technical Assistance**

 The Farm has a relationship with HOSSANA FISH FARMS AND POULTRY LTD  in abuja. Hossana farms have a mandate in poultry and aquatic rearing. They have agreed to assist in building the farm.

**Market and Sales**

 Market orientation: domestic; All over Nigeria

 Market Share: 7% niche market in North West, North Central Nigeria.

 Users of Products: confectionary industries, as well as Abattoirs

**Competition analysis**

 In the North they are threatened by the alleged entrance of Olam's poultry feed mills and hatchery farms in Kaduna into production of eggs and chicken. Local poultry farmers fear that for the agro-giant company owning the Kaduna Breeder and Hatchery Company with a capacity higher than the prevailing total production in Nigeria and the Feed could force them out of business and complete monopoly is assured.

**Tariff and Import Restriction**

 Forex restriction on food importation and zero duty on imported agricultural equipment will favour the project under consideration.

**Market Potential**

 In spite of the constraints, there remains a huge potential for the industry in Nigeria. The demand for poultry products is expanding as a result of population growth.

**Profitability**

 Weather, biological, chemical, physical and environmental factors such as temperature, sunlight, water, diseases, good drainage system, price fluctuations and other risks e.g theft of birds However, technical, scientific and financial based solutions will be employed to hedge against risks and safeguard profit.

**Technical Feasibility**

 In terms of technology, which involves the manufacturing of corn and soybean meal into crumbles, pellets and mash for the production of poultry feed the industrial processes are simple and a specialist in production of poultry feed with 10years experience is part of our team. The needed equipment for feed grinding is readily available and our experts have hand on experience in the usage and maintenance of the equipment. For poultry farming itself we have decided to use both battery cages and litter floors. For the litter floor much work won't be needed but for the battery cages they will require an operator with moderate knowledge to design and install the cages.

**Government Support and Regulation**

 The project conforms 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 supports the food security objective of the government. The project will benefit from a government intervention fund in the agriculture sector.  The project will also benefit from the favorable 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 4months preferably between May, 2020 to August 2020.

**Estimated Project Costs and Revenue**

**Fixed Cost**

**A. Land Clearing**

|  |  |  |  |
| --- | --- | --- | --- |
| **ACTIVITY** | **QTY** | **NAIRA** | **KOBO** |
| Land Clearing | 5000sqft | 150000 | **.**00 |
| **TOTAL** | **5000sqft** | **150000** | **.00** |

**(B) Equipment**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **NAME** | **QTY** | **MODEL** | **USD** | **NAIRA** | **KOBO** |
| Battery Cage | 130 |  | 27669 | 1,080,000 | .00 |
| Nipple Drinker | 260 | **YUANCHENG YC-29** | 6 | 3000 | .00 |
| PVC Trough  | 125 |  | 51 | 20,000 | .00 |
| Automatic Feeder | 25 | **HT-A45L** | 3225 | 1,300,000 | .00 |
| Reflectors  | 10 | **BL-TL40W-01A BEAM ANGLE** | 62 | 24,000 | .00 |
| Incubator  | 2 | **YONGGAO** | 359 | 140,010 | .00 |
| Fly Tray | 1 | **SRI LAKSHMI** | 22 | 8500 | .00 |
| Ventilation Fan | 3 | **SCHRADA** | 990 | 386,100 | .00 |
| Egg Tray (carton) | 3000 | **EKOPAK** | 440 | 171,430 | .00 |
| Egg Washer | 2 | **ALLANCE ALEW-1** | 700 | 273,000 | .00 |
| **TOTAL** |  |  | **5804** | **3,406,030** | **.00** |

**(C) Vehicle**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **TYPE** | **MODEL** | **QTY** | **NAIRA** | **KOBO** |
| **Truck** | **Mercedes Benz 507d** | **2** | **2,300,000** | **.00** |
| **TOTAL** |  |  | **2,300,000** | **.00** |

**Operating Cost**

|  |  |  |
| --- | --- | --- |
| **Working Capital** | **Naira** | **Kobo** |
| **Poultry feed and Poultry medication**  | **2,512,000** | **.00** |
| **3months Salary of employees and bills**  | **500,000** | **.00** |
| **Construction**  | **1,500,000** | **.00** |
| **Registration and Marketing**  | **250,000** | **.00** |
| **Equipment**  | **3,406,030** | **.00** |
| **TOTAL** | **8,168,030** | **.00** |
|  |  |  |

**Amortization**

**₦                   K**

|  |  |
| --- | --- |
| **Land (300SqLand clearing amortization (3230sqft)** | **200,000 : 00** |

**REVENUE**

|  |  |
| --- | --- |
| **Yield pezYiy Yield per layer @N1500 per crate**  |  |
|  | **₦ K** |
| **Revenue per Revenue per layer**  |  **8,000 : 00** |
| **For 300 layers**  |  **24,000 :      00** |
| **Net revenue for 300 layers (without amortization)** |  **12000 :   00** |
| **Net revenue Net revenue with amortization**  | **9000 : 00** |
| **2nd rearing cycle**  |  |
| **Net Revenue**  |  **8000 : 00** |
| **Net revenue with amortization** |  |
| **Annual Net Annual Net Revenue ( 1st + 2nd Cycle)** | **: 00   2 216000 : 00** |

**Currency conversion rate:** **₦390.00 to 1USD**

**Funding Mechanism**

Rigachikun local government will provide the 5000sqft of land needed for the poultry.

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 7% through government intervention window at the Bank of Agriculture, Bank of Industry and Commercial banks.

**Conclusion**

The project is technically feasible and commercially viable. It is therefore recommended for funding.