

A FEASIBILITY REPORT ON CATFISH FARMING

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A FEASIBILITY REPORT/BUSINESS PLAN FOR THE DEVELOPMENT OF A CATFISH FARM AT FOP CATFISH FARM, ABEOKUTA, OGUN STATE, NIGERIA BY PFD AGRIBUSINESS VENTURES AND CONSULTANCY CONFIDENTIALITY AGREEMENT.

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

Signature:

Name:

Date:

Executive Summary/ Project Description

FOP catfish farm is a start-up catfish farm that will be involved in production and processing of quality and affordable fresh table-sized catfish and other semi-processed catfish derivatives targeting consumers in South West Nigeria and will be in Abeokuta, Ogun State.

Catfish farming has proven to be a very lucrative business not only in Nigeria but in the world at large. Fishes especially catfish are one of the major sources of animal meat in Nigeria, aside from pork and poultry.

The proposed project will provide earning of steady income and will also create employment opportunities for about 10-50 people. One of the major customers for catfish farms in Nigeria are the major fast-food companies like; Tantalizer, Sweet sensation and UAC followed by Hotels, Restaurants, and fish sellers in small market. The high demand for fresh table sized catfish and other semi-processed catfish derivatives has led to an increase in catfish farms springing up in many parts of the country.

Sponsorship

The project is sponsored by my parents Mr. and Mrs. Opoola. In the future I plan to approach Bank of Industry (BOI) for broad development and to join a co-operative body for support.

Management

The FOP catfish farm will be operated as a sole proprietorship. Here, I and Mr. and Mrs. Opoola are going to run the business. Budget financing comes from my parents Mr. and Mrs. Opoola while the day to day farm management to be managed by me.

The business, however, is to be registered with Corporate Affairs Commission (CAC) and later to register with relevant co-operative body. I have catfish basic farming experience to

facilitate good fishing practice and success of the business, I am going to engage an Agric consultant in aquaculture to provide subject matter assistance and intervention.

Technical Assistance

Agric consultant, Plumbers and Masons are going to be handy in this business for time and material technical aids that are tangible and intangible.

Market and Sales

My customers are:

Eatery's and Restaurants, Hotels, local food vendors market women selling fish in markets

Sales: sales of fresh fish of different sizes and smoked fish are going to be considered with price differentiation. Fish to be sold in per kilogram cost, to be higher for sales to eateries/hotels etc. but economy of scales applies too. For local and neighborhood, the per kilogram cost, to be reviewed a bit downward.

Competition Analysis

Major competitors are: Tekena farms, Sammy farms, Adeniyi farms and ALI- FARMS. Their main strength is their longer staying period in the business and more financial strength. Their weakness includes poor maintenance culture, and managerial issues. Reliable staffs often at will leave to start their own farm, causing or leading to instability and loss, and the business will have to start with new hands of farm management. The above listed competitors have substantial shares, but I am set to compete vigorously to attract major share of the market.

Tariff and Import Restriction

Most of my agricultural equipment are from local initiative, so I will not be affected by government policies on importation.

Market Potential

There is a strong demand of smoked catfish by hotels. Great demand of fresh fish in restaurants for barbeque. So, there are my main targets to get greater share of the markets.

Profitability

I plan to apply the basic knowledge already gained in the fish farming business and to constantly keep in touch with my Agric consultant to achieve profitability. The best practices are:

- Correct and timely administration of feeds as the grow
- Observation and timely treatment with appropriate drugs to reduce death.
- Timely sorting of fish to promote growth and avoid cannibalism and dwarfism
- I will also secure the farm environment by perimeter fencing and to cover the ponds top surface with nets in order to prevent scavenging birds, cats and other factors from getting to the fishes.
- To carry out all the necessary due diligence required of the fish farming business to reduce mortality rate, keeping good spacing/reduced pond fish density/population for good/large size production.
- Good water administration to always keep the pond fresh and avoid smell from stagnation of ponds.
- To ensure waste reduction by not acquiring assets not needed. Also, by using local initiative and do it yourself scheme.
- However, technical, scientific and collaborations among players and consultant advise will be employed to verge against risks and safeguard profit.

Technical Feasibility

The project will focus mainly on production of table size fish. Though in the nearest future fish hatching is to be considered.

The fishing area would start with 3 production ponds size measuring 10meter square each (3x10m²).

The pond material would be made of canopy rubber material. This can easily be assembled and disassemble, and transferable too.

Galvanized iron stands of 2 meters height are also to be constructed to provided standoff for the rubber canopy type ponds.

The land of the business site is to be leased so permanent earthen pond is not considered for now.

Each of the pond would start at 2000 stock density of fingerlings catfish. With correct culturing and feeding, the three ponds are expected to produce grown sizes ranging from 500gm, 600gm, 800gm, 1kg and 1.2kg at 3 to 4 months.

The output from the three ponds theoretically is expected to be of fish density of 6000.

Of course, based on so many factors and experience the catfish density at maturation is expected to be around 5,500 (loses of about 500 due to cannibalism, weakness, disease etc.)

Government Support and Regulation

The assistance required from the government is making the fish feeds cost relatively cheaper for starter like us as the high cost of feed is the major profit drainer for the business.

The business will consider, production of feeds in the future as the business grows but must consider competitive advantage before making this decision.

Support for individual farm or cooperative body is highly required from the government in area of cheap and constant electricity supply (to reduce over dependency on using of power generating set to pump water).

Business registration cost to also be minimal to make it easier for upcoming business too.

Project Timeline

The project start and completion time would take two weeks as the landed property is already available.

Estimated Project Costs and Revenue

Fixed Cost

FIXED COST		
Activity	Quantity	₱
Land leased-3 years	1 plot	150,000
Site preparation-clearing	1 plot	15,000
Tarpoline Tank- 10m ²	3	90,000
Galvanized Iron of 2- inch thickness	30	75,000
1 horse power surface pump	1	25,000
Fish oven	1	90,000
50kg Weighing scale	1	15,000
Top covering fish net	30yard	18,000
Bore Hole	1	150,000
3kva Power Generating set (Petrol)	1	95,000
Plumbing accessories- PVC Pipes, valves, taps, hose, plastic bowls, installation.	lot	50,000
TOTAL		773,000

Operating Cost

OPERATING COST(1st Yearly)			
BATCH-4Month duration			
Running Capital	Duration	Quantity	₦
Wages(workers)		2	80,000
Juveniles (Initial stocks)		6000@₦20	120,000
Fish feed	First - four months	21bags@₦6200	128,400
Drugs/Treatment			6,000
Power Generating set fuelling (Petrol), Maintenance and Electricity			12,500
Consulant fee			5,000
-Charcoal -Table Salt -Sumo maintenance			25,000
TOTAL-batch expenses			376,900
Estimate d Yearly operating cost			1,130,700

Amortization

All the capital expenditure would be made in the first year of implementation. A total of one million one hundred and thirty thousand seven hundred-N1,130,700 would be needed for the operating cost of the project. After that, the project would be capable of generating enough funds to take care of all operational expenditures.

Funding Mechanism

The sum of one million one hundred forty-nine thousand nine hundred Naira-N1,149,900 (seven hundred and seventy-three Naira being the fixed cost while three hundred and

seventy-six thousand nine hundred for the initial operating cost) will be provided by my sponsors Mr. and Mrs. Opoola

Conclusion

The fish farm, when in full operation would bring tremendous economic and socio-economic well-being of the people in Ogun State. Fish has become a very scarce commodity because of the ecological changes due to changes in climate. The project would provide direct employment for people for this operation. The fish farm would be a highly profitable project which would generate enough cash to sustain production from the second year.