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QUESTION: Prepare a business plan on a chosen agricultural enterprise following the guidelines in the notes.

Fish farming or pisciculture involves raising fish commercially in tanks or enclosures such as [fish ponds](https://en.wikipedia.org/wiki/Fish_pond), usually for food. It is the principal form of [aquaculture](https://en.wikipedia.org/wiki/Aquaculture), while other methods may fall under marine culture. A facility that releases [juvenile fish](https://en.wikipedia.org/wiki/Juvenile_fish) into the wild for [recreational fishing](https://en.wikipedia.org/wiki/Recreational_fishing) or to supplement a species' natural numbers is generally referred to as a [fish hatchery](https://en.wikipedia.org/wiki/Fish_hatchery). Worldwide, the most important fish [species](https://en.wikipedia.org/wiki/Species) produced in fish farming are [carp](https://en.wikipedia.org/wiki/Carp), [tilapia](https://en.wikipedia.org/wiki/Tilapia), [salmon](https://en.wikipedia.org/wiki/Salmon), and [catfish](https://en.wikipedia.org/wiki/Catfish).

Fish farming refers to the commercial production of fish in an enclosure or, when located in a body of freshwater or marine water, in an area that is penned off from the surrounding water by cages or open nets. A fish farm is similar to a fish hatchery in that both can contain 500,000 and more fish. But, a fish hatchery is designed to raise the fish only to a young age before they are released into the wild, usually to bolster the numbers of that species. In contrast, a fish farm is designed to raise the fish until they are a size and age that makes them the best commercial value. The fish are ultimately retrieved and sold, typically as whole or processed food. Fish farming is the most common form of aquaculture, and commonly involves trout, salmon, tilapia, cod, carp, and catfish. For a species such as cod, whose numbers in the [Grand Banks](https://www.encyclopedia.com/places/oceans-continents-and-polar-regions/oceans-and-continents/grand-banks) fishery off the east coast of the Canadian Maritime Provinces plummeted to near zero in the 1970s due to overfishing, and as of 2008 have yet to recover, the cod available from fish farming represents almost the sole source of the fish in North American markets.

EXECUTIVE SUMMARY

Fish farming is a lucrative business; it is also simple and can be started with small capital. Anyone with a small space and can find a market within a locality can engage in fish farming. In fact, with as little as $750 you can start fish farming. The fish farm is located in cross river state.it is named after two great families from Ikom local government and Akam. The business plan on fish farming shall begin with the production of catfish but later, tilapia shall be added. I shall sell fresh initially but later, the introduction of drying and packaging also follow. My customers shall be an open market, restaurant, and grocery. Over time with reasonable expansion, we will commence exporting the product when the local market is satisfied. The fish farm first started in my backyard which didn’t end up well. I ended up losing a lot so this time I invested a lot more to get a more suitable place for the farm, somewhere more swampy and cool.

FISH FARM START-UP EXPENSES:

The fish farming project would take approximately N1, 500,000.00 (One Million Five Hundred Thousand Naira only) to be deployed as follows: please see VI. Startup Expenses and Capitalization.

If you want to set up a fish farming business with less amount, say, N500,000 or N1,000,000 then you will not include some equipment.

The pelletizing machine and dryer would enable me to prepare my own feed which would be cheaper in the long run, thereby increasing my profit. This is because imported fish feed is expensive and would reduce the profit margin if depended upon throughout the six months grow-out period.

MISSION STATEMENT: to be self-employed, create employment opportunities for others, provide protein to the populace and help save some foreign exchange for Nigeria.

COMPANY GOALS AND OBJECTIVES: Our goal is to have a healthy, successful company that is a leader in customer service and that has a loyal customer following. While our Objective will be to have our dried fish in every pot of soup in Nigeria.

BUSINESS PHILOSOPHY: To earn a good living from what I offer to my customers, while they continue desiring that we serve them always.

TARGET CUSTOMER: Since there are no religious, cultural or demographic barriers on the consumption of catfish, our customers shall be the open market, restaurants and grocery shops. Over time with reasonable expansion, we shall commence exporting the product when the local market is satisfied or just to earn foreign currency.

COMPETITION: Catfish farming industry is still in its infancy in Nigeria, with the commodity very expensive because it is insufficient to go round. Most of the practitioners do it on a small scale in their backyards and near their houses. With enough financing, the country would begin to witness large scale fish farming running into hundreds of million naira. The cost of imported fish feed is very high now because of the high cost of the dollar. This, in turn, makes the fish unaffordable by the common man. With growth over time and encouraging national agricultural finance policy, we desire venturing into commercial local fish feed production as soon as possible so that we can have a first-time advantage.

STRENGTH AND COMPETENCIES: Fish farming, though available, requires skilled manpower. To set up a fish farming business, you need to learn how to cater to the fish. The most important strength and competence of the company are based on the fact that the prime mover is a graduate and highly trainable. She can easily adapt to changing situations. Our consultants also have many years’ experience in the industry and they are also vast in management and are ever ready to keep supporting us. We shall ensure that our top management personnel has high-level manpower, unlike other fish farming businesses, where you mostly find the uneducated managing the affairs of the business.

LEGAL OWNERSHIP: for now, our Legal form of ownership is Sole proprietorship and is subject to available cash but, we are open to other business structures like Partnership, Limited liability, and even Public Liability as our final destination.

PRODUCT AND SERVICES

This fish farming will basically be hinged on preparing the site, acquiring two mobile ponds, fertilizing the ponds within say 2 weeks, buying 500 fingerlings for each of the ponds, feeding them two times a day till maturity at 6 months and then selling off as point-and-kill or as dried fish or both. Having sold off we stock the ponds again and repeat the process of brooding and selling. At this point, we intend to keep some fish until we can use them for hatching. This would mean constructing another mobile pond as hatchery/nursery ponds, like say 3 numbers of 8 x 8 feet. At the onset of operations, the Fishery will have approximately 2 people to assist with the day to day operations. Another important product and service is the preparation and sales of fish feed. This would, however, require separate capital outlay not covered in this business plan.

INDUSTRY ANALYSIS

Each year, the industry generates a lot of money from fish farming through retail fish sales. These sales also include the receipts generated by restaurants that specialize in the sale of seafood. Among importers and distributors, a lot of money running into billion is recognized annually among market agents. The industry also employs so many people. The growth of the industry is expected to continue as more Nigerians are seeking to add fish and other seafood products to their diets for both the taste and health benefits associated with seafood. One of the most common trends in the fishery industry is that newer technologies are actually increasing the net profit margins of the business while concurrently lessening the ecological impact of fisheries on the environment

FISH FARMING MARKETING PLAN

The Fishery’s marketing operations will be minimal as once the Company solidifies ongoing relationship with fishery coops and wholesalers, very little marketing will be required to maintain these relationships. At the onset of operation, we intend to aggressively develop relationship with local and regional fishery coops that will assist the Fishery in maintaining stringent pricing (through forward and future contacts) so that the Fishery always has a predictable stream of income. However, in the future, we might seek to brand certain fish items that we produce. In this instance, the Company will hire a marketing/advertising firm to properly position the Company’s image and brand so that it can directly sell packaged fish to major groceries, supermarkets, farmer’s markets, and select retailers.

This Fishery intends to maintain an extensive marketing campaign that will ensure maximum visibility for the business in its targeted market. Below is an overview of the marketing strategies and objectives of the Fishery.

MARKETING OBJECTIVE

We intend developing relationship with major groceries and fish/seafood wholesalers that will acquire bulk inventories from us and polish ongoing purchase order relationship with cooperatives throughout the target market.

PRICING

|  |  |  |
| --- | --- | --- |
|   | AGE in months | PRICE (~~N~~) |
| Fingerling | up to 1 | 30 |
| Juvenile | 2 | 50 |
| Table Size | 6 | 1000 per kg |
| Brood Stock | 8 and above | 2500 per kg |

The price of various categories of our fish shall be average prices and compete on quality and service. My intended customers really make their purchase decisions mostly on price, so we are better off remaining average. Our credit policy shall be cash and carry so that our customers would always come with their money.

PROMOTIONAL BUDGET

We have budgeted N150, 000.00 (One Hundred and Fifty Thousand Naira) for promotions.

PROPOSED LOCATION

We do not yet have a precise permanent location picked out yet. That is why we are starting to run from home for a while with mobile fish ponds, before pinpointing a permanent location and concrete/earthen ponds. Our current location is motor able and highly accessible, convenient with enough parking space. Whether rain or sunshine the compound has enough shade.

DISTRIBUTION CHANNELS

Our distribution channel shall be retail for families, wholesale for resellers, agents and independent representatives who might want some commission are also welcome.

OPERATIONAL PLAN

The daily operation of the business is as simple as manually feeding the fish twice a day, between 6am and 8am and 5pm and 7pm. While doing this we make sure that ¼ volume of water flows out and is replaced every day.

PRODUCTION

* The ponds are washed, fertilized and stocked with fingerlings, manual feeding continues for 6 months when maturity is achieved.
* Aerated water constantly flows through the pond to achieve artificial stream. Depending on the age and size of the fish, correct size of feed, measured in mm, is used in the feeding.
* Customers are placed on notice when the fish will mature.
* Daily feed consumption is noted to ensure that we have enough for 1 month before restocking.
* Our consultant is always handy to assist our product development and general support.

LOCATION

We would prefer a sloppy topography or a location with adequate drainage system, so that discharging our waste water would not waterlog the environment.

Physical requirements of a plot of land, measuring 100 by 100 feet, would be ok for a start. A small office, store, fishponds, overhead tanks, water bore hole and power house. Electricity is very important.

Access to our location is excellent, we have excellent proximity to freeway, airports, railroads and seaport.

The only unavoidable construction needed for a start now is 2 units of 10 feet by 10 feet mobile fishponds.

FINANCIAL PLAN

Our financial plan consists of a 12-month cash-flow projection and a break-even calculation. Together they constitute a reasonable estimate of our company’s financial future. More importantly, we hereby present the financial insight into the inner financial workings of our company.

MONTH PROFIT

As is evident in our 1 year Cash Flow in the table below, with a saving of N1.5m we will be able to generate 2,052,000. I project 2 sales within the year, that is every 6 months. After the sales I restock my ponds and the cycle is repeated. I assume that each fish will grow out into 2 kilograms. This is not generally the case as the weights vary between 1kg and 3kg at grow out.