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MATRIC NO : 18/ENG03/035
COURSE TITLE : FOOD
SECURITY AND HEALTH
AWARENESS
ASSIGNMENT TITLE : A
business plan for the
production of diary and the
distribution of eggs at
Escobar's Egg Plant, Abuja by
Pablo's business centuries
and consultancy
confidentiality agreement
Confidentiality clause
The undersigned reader
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Upon request, this document is to be immediately returned to the promoters of the proposed business

Signature: Name: Date:

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EXECUTIVE SUMMARY

Escobar's Egg plant is a farm that produces eggs to be

located in Abuja. Specialized in the production of eggs to both individuals and commercial entities who are mostly players in the dairy products value chain sector, Gustavo's poultry farms will be involved in related services that include the provision of

livestock health services, plus the shearing of livestock.

Only the best will be selected to join our team of dedicated and committed workforce.

These will be made up of individuals possessing the requisite qualification plus experience in the field of dairy farming. The products and services to be offered by Escobar's egg plant will include the production of eggs and also the rearing of poultry for our farms and for sale to other poultry farms.

Other services will include the provision of consultancy and advisory services to our clients on poultry farm related issues. Our vision at Escobar's egg plant is to

build a successful brand name through the provision of superior services

tailored to the client's satisfaction. Within our first 3 years, we have plans of expanding our operations to spread across the Federal Republic of Nigeria, with our sights set on competing favorably with other well-known poultry brands. Dealing in a very competitive market, we intend on gaining a fair share of the market through the provision of exceptional services that will stand us out of among competition. Within the first 5 years from the commencement of business operations, we plan on entering into the top 5 poultry brands in Nigeria.

Sponsorship

The project is proudly sponsored by Kareem Kalejaiye a successful business owner of Medellin Cartel Business Firm. Our vision at Manny's Dairy Farms is to build a successful brand name through the provision

of superior services tailored to the client's satisfaction.

Within our first 3 years, we have plans of expanding our operations to

spread across the Republic of

Nigeria, with our sights set on competing favorably with other well-known dairy brands. Dealing in a very competitive market, we intend on gaining a fair share of the market through the provision of exceptional services that will stand us out of among competition. Within the first 5 years from the commencement of business operations, we plan on entering into the top 5 dairy brands in Nigeria.

Management

The management will comprise of a democratically elected Board of Directors at the apex of the organizational structure. This will be made up of shareholders and members of the corporative who have stake in the survival, growth and

profitability of the business as

well as distinguished agribusiness professionals of proven integrity and vast experience in the project area. The prime objective of the board will be to give strategic directions and policies that will ensure long term success of the organization. The board will ensure that the organization complied with all standards set by regulatory authorities.

The Managing Director/ President shall be responsible for the co-ordination of the day to day management of the cooperative business. He is accountable to the Board of Directors; he will mobilize organization resources to achieve set goals. He will manage business risks and focus on wealth creation.

Technical Assistance

Experts with several years of experience and the required skill will be hired to head the

various arms/department of our dairy farm. This is aimed at significantly increasing productivity and enhanced penetration into the market. Our work conditions will be such that will enhance productivity. Also, adequate attention is given to the welfare of our workforce through an attractive remuneration package that in will increase motivation. We will be adopting several publicity and advert strategies. Some of these include the placement of adverts in both print and electronic media, the building of a website that will contain all the services offered by us, and also exploiting the word of mouth marketing which will be solely driven by our satisfied clients.

Market and Sales

A close study of the poultry farming industry shows that most poultry farms that has the capacity do not just concentrate in the commercial production of

eggs for households and businesses that are involved in the production of egg based products.

They go as far as establishing a standard egg processing company in line with their core business. It is a means of maximizing profits and increasing source of revenue generation.

Despite the fact that poultry farm has been in existence since

time immemorial, that does not in any way make the industry to be over saturated; poultry farmers are exploring new technology to continue to improve egg production processes and egg preservation and packaging process. The fact that there is always a ready market for eggs makes the business ever green.

Lastly, one of the notable trends in poultry farms industry is that with the recent advancement in technology poultry farmers can now improve the various

breeds of the animals they are breeding so as to increase the quantity of milk they produce per time.

As a matter of fact, it is now easier for dairy farmers to comfortably import the kind of

breed of domestic animal they want to breed from any country of their choice and also advancement in technology has made it easier to cross – breed different animal.

Our Target Market

As expected, the target market of those who are the end consumer of poultry farms produce and also those who benefits from the business value chain of the agriculture industry is all encompassing; it is far – reaching. Every household consumes produce from livestock farms

be it meat, eggs and the skin (leather) used for bags, belts and shoes production et al.

So also a large chunk of manufacturing companies

depends on dairy farms for some of their raw materials. In essence a poultry farmer should

be able to sell his or her egg and other poultry products to as many people as possible.

We will ensure that we position our business to attract consumers of egg and other poultry products not just in the United States of America alone but also other parts of the world

which is why we will be exporting some of our poultry farm produce either in raw form or

processed form to other countries of the world.

Our Competitive Advantage

From experience,

entrepreneurs are known to

flock towards an industry that is known to generate

consistent income which is

why there are more dairy

farms in the United States of

America and of

course in most parts of the world.

As a matter of fact, entrepreneurs are encouraged by the government to embrace commercial farming / poultry farming. This is so because part of the success of any nation is her ability to cultivate her own food and also export foods to other nations of the world.

Escobar's egg plant , We are fully aware that there are competitions when it comes to selling eggs and other poultry products all over the globe, which is why we decided to carry out thorough market research and feasibility studies so as to know how to take advantage of the available market in the United States and in other parts of the world.

We have done our homework and we have been able to highlight some factors that will give us competitive advantage in the marketplace; some of the factors are effective and

reliable poultry farming processes that can help us sell our egg and other poultry products at competitive prices, good network and excellent relationship management. Another competitive advantage that we are bringing to the industry is the fact that we have designed our business in such a way that we will operate an all – round standard dairy farms that will be involved in diverse areas such as animal rearing and meat and eggs processing and packaging plant. With this, we will be able to take advantage of all the available opportunities within the industry.

Lastly, all our employees will be well taken care of, and their

welfare package will be among the best within our category (startups dairy farms companies in the Nigeria) in the industry. It will enable them to be more than willing to build the business

with us and help deliver our set goals and achieve all our business aims and objectives.

SALES AND MARKETING STRATEGY

It is a known fact that the reason why some poultry farms hardly make good profits is their inability to sell off their eggs and other poultry products to a larger market. In view of that, we decided to set up a standard meat and eggs processing and packing plant to help us maximize profits. Over and above, we have perfected our sale and

marketing strategies first by networking with agriculture merchants and companies that rely on raw materials from the poultry farms industry who are likely to refer become our customers. In summary, Escobar's Egg plant We will adopt the following strategies in marketing our poultry rearing produce;

- Introduce our business by sending introductory letters

alongside our brochure to stake holders in the agriculture industry, companies that rely on the poultry farms industry for their raw materials, hotels and restaurants and agriculture produce merchant et al.

- Advertise our business in agro – allied and food related magazines and websites
- List our poultry farms on yellow pages ads (local directories)
- 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)

Sources of Income

Escobar's egg plant , LLC is in the dairy farms industry for the purpose of maximizing profits hence we have decided to explore all the available opportunities within the industry to achieve our

corporate goals and objectives. In essence we are not going to rely only on the sale of eggs and other poultry products to generate income for the business.

Below are the sources we intend exploring to generate income for Escobar's Egg plant , LLC;

- Egg laying poultry
- Poultry support services
- Poultry farming
- Sale and export of poultry products
- Sale of Poultry and Eggs
- Sale of processed meat (Processed Poultry foods) • Shearing services
- Poultry farming related consultancy and advisory services

Sales Forecast

From the survey conducted, we were able to discover that the sales generated by a dairy

farm depends on the size and capacity of the poultry farms and of course the network of the business.

We have perfected our sales

and marketing strategies and we

are set to hit the ground running and we are quite optimistic that we will meet or even surpass our set sales target of generating enough income / profits from the year of operations and build the business from survival to sustainability.

We have been able to critically examine the poultry farms industry and we have analyzed our chances in the industry and we have been able to come up with the following sales forecast. The sales projection is based on information gathered on the field and some workable assumptions as well with respect to the nature of poultry farms business that we run. Below are the projections that we were able to come up with for the first three years of running Escobar's egg plant , LLC;

First Fiscal Year

1000000naira Second Fiscal

Year; 2000000naira

Third Fiscal Year-:

3000000naira

N.B: This projection is done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown that can impact negatively on household spending, bad weather cum natural disasters (draughts, epidemics), and unfavorable government policies.

Our Pricing Strategy

We are fully aware that some of the key factors that will help us sell our eggs and other poultry farm products at the right price that will guarantee that us making profits is dependent on our strategy while some of the factors are beyond our control.

For example, if the climatic condition is unfavorable and if there is natural disaster in the location where we have our poultry farm, then it will directly affect the prices of our eggs and other poultry

farm products. The truth is that, if we want to get the right pricing structure for our eggs and other poultry products products, then we must ensure that we choose a good location for our poultry farms, choose a good breed that will guarantee steady and multiple breeding (prolific breeds), cut the cost of running our farm to the barest minimum

And of course try as much as possible to attract buyer to our farm as against taking our eggs and other poultry products 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 that can impact on our operational cost.

We are quite aware that one of the easiest means of penetrating the market and acquiring loads of customers for all our eggs and other

poultry products products is to sell them at competitive prices hence we will do all we can to ensure that the prices of our produce are going to be what other poultry farms and even commercial livestock farmers who are into the sale of eggs would look towards beating.

One thing is certain, the nature of poultry farms business we are involved in makes it possible for farmers to place prices for their egg and other poultry products products based on their discretion without following the benchmark in the industry. The

truth is that it is one of the means of avoiding running into loss. The easier you sell off your raw milk and other dairy products the better for your business.

Technical Feasibility

Dairy production is all-inclusive activity, related to animal care, reproduction, feeding, and management. It is defined as all those

aspects and activities relating to raising of poultry animals during their various phases of life to get wholesome output . Before making the decision, whether to invest in the dairy and livestock farming or not, one should carefully analyze the associated risk factors. A SWOT analysis can help in analyzing these factors, which can play important role in making the decision.

The technology and methods to

be used for this farm are the best available in Nigeria.

We purchase local and imported and poultry to produce best egg productivity which is much higher than small farm. This farm possesses some of the finest poultry breed. We also introduce finest breed of chickens at our farm. We also increase their egg productivity through modern feeding practices with wheat and rich straw, purchased concentrates, like cottonseed, cotton seed

cake, green feeds such as berseem, sorghum and maize, and other agriculture by product. We also take full advantage of available breeding practices, artificial insemination, to improve our

Poultry quality. In future we are interested to install our own pasteurized or processing equipment.

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 support food security

objective of government. The project will benefit from 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

It is important to state that our sales forecast is based on the data gathered during our feasibility studies, market survey and also some of the assumptions readily available on the field. Below are the sales projections that we were able to come up with for the first three years of operations

N.B: This projection is done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown and the arrival of a competitor in same location as ours within the period stated above. Please

note that the above projection might be lower and at the same time it might be

higher. Estimated Project cost and revenue

Our revenue source will come partly from the sale of all the products on offer. These will include unprocessed and processed poultry products . Our other sources of income will come from the advisory and consultancy services provided to other dairy farmers.

We will aim at increasing our revenue generation, which will include increased value addition, leading to increased processing of our products for both domestic consumption and for export.

The farm will consist of different type of machines.

The raw material used in feed is produced in open land of farm. Now we start to dump the silage in bunkers for 180 days. After dumping the silage for 6 months its able to get the maximum protein and benefit from that stuff. For that dumping and stock the silage we need the Agrifinance Non-

Development loan.

Utilities:

All required utilities are available at farm like electricity, water, etc. the all water requirement well meet from our own wells.

Transport & Communication:

The egg handling van is available at farm with sufficient egg storage and carrying capacity.

MAN POWER

REQUIREMENTS: - Semi-skilled workers are needed to look after the poultry farm work. Thirteen people should be hired to manage the operations of the automated shed.

Funding Mechanism

Government Agricultural finance policy should be reviewed toward increased funding of small and medium scale dairy enterprises through micro-credit schemes and programmes. In practice this may require a downward review of interest rates on credit

facilities to dairy farmers. Also, government Agricultural Extension programme should be intensified, particularly, in the area of training of producers on modern commercial dairy farming practices, made possible by increased funding of research and extension. Relatedly, Women-In-Agriculture (WIA) programme should be revitalized to assist female dairy producers to be more fully integrated along dairy development value chain owing to the potentially significant role of women in dairy development. It is hoped that with increased finance and knowledge through training, farmers may likely upgrade or acquire new technology, adopting ranching and intensive poultry production system which are capital intensive but improve returns on investment. Government subsidy programme should cover also, the costs of veterinary

services, and of drugs and vaccines. This should reduce animal diseases, mortality rates and involuntary culling which adversely affects profits.

Conclusion

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