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MECHATRONICS

AFE202 PROJECT;

Prepare a business plan on a chosen agricultural enterprise following the guideline in the note.

****CHOSEIN ENTERPRISE: LIVESTOCK FARMING**]**

LIVESTOCK FARMING

INTRODUCTION

Livestock farming is defined simply as the process of breeding animals for the sole purpose of consumption. Animal husbandry which is another name for livestock farming is a rapidly growing arm of farming in Nigeria, and the primary reason why more entrepreneurial farmers are venturing into livestock farming is its profitability. Livestock are domesticated animals raised in an agricultural setting to produce commodities such as food, fiber, and labour. The term is often used to refer solely to those raised for food, and sometimes only farmed ruminants, such as cattle and goats. In recent years, some organisations have also raised livestock to promote the survival

of rare breeds. The breeding, maintenance, and slaughter of these animals, known as animal husbandry, is a component of modern agriculture that has been practised in many cultures since humanity's transition to farming from hunter-gatherer lifestyles. No universally accepted criteria exist to separate "livestock" from pets or "companion animals", defined as animals kept primarily for companionship.

SUB-CATEGORIES OF LIVESTOCK FARMING BUSINESSES AND THEIR STARTING REQUIREMENTS

1. Fish Farming:

This is about the most common and perhaps most hyped form of livestock farming in Nigeria at the present. It is estimated that five out of every ten Nigerians consume catfish on a weekly basis, meaning that at the very least 75 million catfish are bought and consumed every week in Nigeria alone. That makes the demand for the product very high. The potentials of catfish farming in Nigeria are endless, and established fish farmers say that it is possible to recoup investment outlay in 12 months.

For this business, you will need:

1. A piece of land to construct Fish ponds. You will need to procure the services of a pond construction expert for this.
2. Borehole and overhead tank: This will serve as the water reservoir for the fishes.
3. Fingerlings: Make sure to buy fast growing and disease resistant breeds.

At this point certain decisions are necessary on, the size of the business, estimate on level of demand, cost of fixed assets involved and Direct Cost of production estimates.

Other factors to consider are, estimate of market share expected considering your competitors.

2. Pig Farming:

Pig farming has begun to become popular among livestock farmers in Nigeria in the recent time.

Pork, the by-product of the farm, is said to be fetching huge billions of Naira annual revenue in Nigeria. Smart investors and entrepreneurs are taking advantage of the huge demand for pork, and since pigs reproduce in large numbers and grow very fast, the sky is the limit.

A single pig can have a litter of as much as 8/10 piglets at a time, making it one of the fastest reproducing livestock in the world.

For a start you will need:

1. A piece of land for breeding: It is advisable to secure a piece of land in the rural areas. Land is cheaper there, and the pigs can root around in the fields once in a while.
2. Standard pens: To house the pigs. This must have proper drainage to eliminate bad odour and diseases.
3. Water pool: While this is optional, it is important to note that pigs like swimming and being able to keep cool is necessary for their well beings because pigs are not sweating animals.

For a healthy pig farming business you have to take care of the following:

Veterinary doctor: Secure the services of vet doctor for regular check-up and vaccination as well as feeding and nutrition advice.

Employ workers: You will need some workers for assistance, as pig farming can be labour intensive.

Feeding: Pigs eat a wide variety of food, but they need a balanced diet like humans do. Their diet should contain fibre, energy, protein, carbohydrates, vitamins and minerals in order for them to thrive

3. Poultry farming:

Poultry farming business is part of the animal husbandry which is as old as mankind itself.

This is good money within the shortest period of time possible. This is made possible due to the quick maturity of chickens and turkeys. There is also that overwhelming demand for eggs on a daily basis.

For a start you need:

1. A piece of land to construct the Pens (chicken's houses): Housing is very important for chicken rearing and effective keeping and management. Poultry housing are classified according to the scale and the management system.

2. Day old chicks and other accessories such as Feeders, Drinkers, Perches. Nests, Crates, Lighting system, Waste disposal system, Incubator, Heaters or brooders, Egg tray, Cages and coops and Feed.

4. Rabbit farming:

Rabbit rearing is a business that requires less space and can therefore be done anywhere. The capital investment is relatively low. You will however need to have an in-depth knowledge of how to raise the animals, and do extensive market research to determine who your customers are. Every single part of the rabbit is useful; from the skin which is used to leather production, to its furs which is used for clothes manufacturing and meat for consumption.

Before you start your rabbit farming business, you will need:

1. Cages or hutches: These should be able to protect the rabbits from heat and humidity.
2. Feed: This may be processed feed or edible vegetable and leaves, elephant grass, potatoes and different kinds of herbs.

5. Cattle rearing:

A cattle farming is the process and practice of raising and nurturing cattle from birth until the point at which they provide meat or milk for consumption. The reasons why cattle farming are lucrative in Nigeria are not hard to imagine. One, we are a nation of beef consumers. And two, although cattle are raised primarily for beef or milk production, there is no part of the cow that is

not useful. Other 'by-products' include dairy products, cow hide, cow horns, bones, hooves and stearic acid.

For cattle rearing business, you will need:

1. Farmland: A very large piece of land.

2. Farm equipment:

-Cow sheds

-Feeding and watering equipment

-Healthy calves

Other livestock that can be profitably reared in Nigeria for their meat are;

Snails farming, sheep rearing, etc.

OBJECTIVES/AIMS OF LIVESTOCK FARMING

The objectives/aims of livestock farming are;

1. To satisfy the need for food of the growing population.

2. To do proper management of the domestic animals.

3. To develop high yielding breeds of animals.

4. To increase the production of milk, eggs, and fish.

BUSINESS STRUCTURE

Below is the business structure of my **livestock farming** business enterprise:

Chief operating officer

General farm manager

Administrator

Sales and marketing executive

Field employees

Front desk officer

MARKET ANALYSIS

• Market Trends

One of the common trends in the commercial livestock farming line of business is that most players in the industry are no longer concentrating only on farming a particular species of livestock or just livestock.

They now find it easier to run both livestock farming and crop cultivation. Some even go ahead to include meat and milk processing and packaging business alongside their product offerings; it helps them maximize profits in the agriculture industry.

Our Target Market

Naturally, the target market of those who are the end consumer of livestock farm 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, milk, and the skin (leather) used for bags, belts and shoes production etc. So also a large chunk of manufacturing companies depends on livestock farms for some of their raw materials. In essence a livestock farmer should be able to sell his or her products to as many people as possible.

We will ensure that we position our business to attract consumers of agriculture produce not just in Nigeria alone but also other parts of the world which is why we will be exporting some of our farm produce either in raw form or processed form to other countries of the world.

SALES AND MARKETING STRATEGY

In summary, this enterprise will adopt the following strategies in marketing our livestock produce;

- Introduce our business by sending introductory letters alongside our brochure to stake holders in the agriculture industry, companies that rely on the livestock farming industry for their raw materials, hotels and restaurants and agriculture produce merchant etc.
- Advertise our business and livestock farms in agro – allied and food related magazines and websites.

- List our commercial livestock farms on yellow pages ads (local directories)
- Attend related agriculture and food expos, seminars, and business fairs etc
- Leverage on the internet to promote our business
- Engage in direct marketing
- Encourage the use of word of mouth marketing (referrals).

PUBLICITY AND ADVERTISING STRATEGY

Any business that wants to grow beyond the corner of the street or the city they are operating from must be ready and willing to utilize every available means (both conventional and non – conventional means) to advertise and promote the business. 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 cattle rearing business. Below are the platforms we want to leverage on to boost our livestock rearing brand and to promote and advertise our business;

- Place adverts on both print (newspapers and magazines) and electronic media platforms
- Sponsor relevant community based events / programs
- Leverage on the internet and social media platforms like; Instagram, Facebook , twitter, YouTube, Google + etc to promote our business
- Install our Bill Boards on strategic locations all around our location in Nigeria.

- Engage in road show from time to time in targeted neighborhoods
- Distribute our fliers and handbills in target areas.

FINANCIAL COSTING AND PROJECTIONS

When it comes to calculating the cost of starting a commercial livestock farm, there are some key factors that should serve as a guide. The most important expenses is the construction of the ranches / cages / fencing as the case may be.

For example, the start – up cost for a fish farm is different from the start – up cost for mechanized crop farming, so also the start – up cost for poultry farming is different from the start – up cost of cattle ranch (dairy farm) etc. As a matter of fact, if you choose to start a mechanized crop farming, then you should be willing to raise huge capital base to start the business.

This is so because some cultivation machines / equipment can be pretty expensive. Below are some of the basic areas we will spend our start – up capital in setting up our livestock farming business.

- The Total Fee for incorporating the Business in Nigeria – \$250 000
- The budget for key insurance policies, permits and business license – N1 100 000
- The amount needed to acquire a farmland– N50 000 000
- The amount required for preparing the farm land – N170 000
- The cost for acquiring the required working tools and equipment - N5 000 000

- The amount required for purchase of the first set of livestock animals – \$N3 000 000
- The amount required for payment of workers for a period of 3 months – N8 000 000
- Additional Expenditure (Business cards, Adverts and Promotions, etc.) – N750 000