**A FEASIBILITY STUDY BUSINESS PLAN**

**ON**

**POULTRY FARM**

**PRESENTED BY**

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**SCHOOL: AFE BABALOLA UNIVERSITY**

**COURSE CODE: AFE 202**

**COURSE TITLE: FOOD PRODUCTION AND HEALTH AWARENESS**

**LECTURERS: MR. SALAMI ABDULRASHEED**

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**EXECUTIVE SUMMARY**

Feasibility Study on the establishment of a poultry form is based on the survey made by Ali Queen-Esther Ebo and the business with by wholly owned by her. The name of the poultry farm will be name **ALLI FARMS** and will concentrate on sales of eggs and table meat bird (boilers).

We will supply birds and eggs to different quick service restaurant in south west Nigeria and our vision is to be one of the known poultry farm product supplier in Nigeria with a mission to raise healthy and nutritious birds at a very profitable venture.

From the research that was carried out it was discovered that the demand for eggs and bird meat is not fully satisfied around some areas of Lagos, though they are already existing poultry farms operating around borders of Lagos and Ogun state environment, the poultry farm will be sited at Ifo Local government area in Ogun state a neighboring environment to Lagos, there are also demand in some part of lfo, Sango and various part of Lagos. These legal requirements for the establishment of this venture such as local government revenue (tax) per month and security payment (vigilante) per month have been inquired and will be carefully complied with.

The venture will help in providence employment to the locals meeting the demand of eggs and making the price affordable in future, **ALLI FARMS** intends to develop into other livestock farming structures such as Turkey, Fish, Duck, Guinea fowl and Quail.

**STRATEGY AND IMPLEMENTATION SUMMARY OBJECTIVE**

* To increase number of our client by 20% within 2 years of existence
* To increase our output percentage within a short period of time
* To evaluate our strategic marketing by every three months
* To keep and maintain hygienic farms for healthy eggs and birds

**TACTICS AND STRATEGY IMPACTS**

**ALLI FARMS** products will be priced at affordable rate. When a markup is placed on any of our products, customers will be willing to pay because of the affordable price.

The venture to be established is a poultry farm that will concentrate on the production of eggs and sales of broilers, birds because of the fund required the venture will start as a small scale business having the population of the people neighboring communities and three major Local Government Area of Lagos, which are Alimosho, Agege, Ifako – Ijaiye are target market. The farm site will be a permanent land and will need necessary equipment for its operation as it is entirely new firm to start from the scratch, will have to be acquired.

**OPERATIONAL PLAN**

The firm will be a commercial poultry farm; therefore it will require a full time labour and geared towards productivity on a scale for the sales of egg and sales of broiler birds.

For egg production, birds usually starts to lay at 18-22 weeks of age and continue to lay for Twelve months (52weeks) on average laying fewer egg as the new mounting period. The typical production cycle last about 17 months (72 weeks) and involves three district phases as follows:

**PHASE 1:** Pullets or broilers: This phrase last from 0 – 8 weeks during which small chicks (pullets) are kept separately from broilers.

**PHASE 2 (GROWERS):** This period concerned is between 8 – 21 weeks of age. Growers are the future laying birds and the way they grow up will largely determine how well they do in the laying house. Therefore management during the growing period is very important.

**PHASE 3 (LAYERS):** The laying period is taken to have started when the birds reach 5% egg production on a daily basis. The laying period continues until the birds are sold at the end of a laying period of normal length or are force mounted Housing time starts with the beginning of the laying period. The number of birds housed is the number of pullet in the laying house when egg production starts.

**MARKET POTENTIAL**

Most meals in Nigeria is not complete without poultry output like egg or meat. Nigeria has over 170 million growing population that demand for meat or egg on a daily basis. With increasing awareness on health implication of red meat, they are ever increasing demand for white meat and livestock are source of white meat.

**MARKETING STRATEGY**

As we mentioned earlier, resident and families of three local government of Lagos being our target market awareness will be made by means of advertisement. The advertisement will be made on flyers, handbills, and in the future marketing will be done to eateries, restaurants and companies that demand for our product. Our major market in the future are eggs supplied to Restaurants, major bakers and hotels

**MARKETING**

Marketing activities include among other grading quality, promotions, packaging and value adding these activities are essentials as they will lead to large volume of sales of product quickly as possible resulting to increase of income

**GRADING**

Eggs should be graded by size and labeled according to its weight. During selection and grading, care must be applied to ensure that weight is uniformed to avoid rejection from customers

**BUSINESS EVALUATION OF FARM/FINANCE**

This evaluation is based on birds i.e. layers and broilers

Layers are those birds that lay eggs while broilers don’t lay egg. This evaluation will be based on 5% normal loss i.e. at the process of taking care of the day old chicks; it is possible to lose 5% of the birds to sickness. Therefore if we start with 1000 birds, it is possible for us to lose 50 birds at the process of rearing them. While broilers if we start with 400 birds it is possible for us to loss 20 birds to diseases at the process of rearing them.

**LAYERS**

If layers are been rear, it takes 18 weeks to start laying egg, if we start with 1000 birds and we loss 5% of it so we have 950 surviving layers and with proper management of feeding and other maintenance of the bird it is possible to get 90% egg production that is 855 per day and 5985 pieces of egg every week. If we loss 1% of the egg that is 60 pieces every week so we have 5925 pieces p/weeks. 197 crates of eggs every week and crate of egg is sold accordingly to its size. Small size N600, Medium N750, Big size N1000. Assuming we use medium size, that is N750 which result to N147750 sales of egg every week.

After laying eggs for 52 weeks (12months) we dispose the layer and it will be sold at the rate of N1500 per layers. Therefore, before changing the stock we might have made N7, 683,000 from sales of eggs and N1, 425,000 from the disposal of old layers making a sum total of N9,108,000 for the period of 52 weeks (one year)

**BROILERS**

Broilers do not lay eggs but grows to table size when they are from 8 weeks old upward. We are project for 400 birds of broilers and if we have 380 surviving birds sold at the rate of N2500 each, making a total sales of N950000 for the period of rearing the broilers. Making it total sales of (950000 x 3) N2, 850,000 for period of 12 months

**CAPITAL EXPENSES**

2 plots of land @ N180,000 N360,000

Block 3000 pcs @ N120 N360,000

Cement 70 bags @ N2500 N175,000

Cement Carriage N5,000

Woods N152,000

Roofing Sheets N126,000

Roofing Slate N25,000

Ceiling Slate N15,000

Reggie’s N7,500

Nails N12,000

Net 15 bundles @ N4000 N60, 000

Iron door N40,000

 **N1,337,500**

**SANDS**

Stone Big 2 tipper @ N25,000 N50,000

Sharp sand (Mayans) N20,000

Soft Sand N22,000

 **N92,000**

**TOOLS**

Day old feeders 30pcs @ N120 N3,600

Day old Drinker 15pcs @ N200 N3,000

Feeders 60pcs @ N550 N33,000

Drinkers 12pcs @ N2500 N30,000

Shovel & Head pan N2,000

Thermometer (Digital) N8,000

Scale (Digital) N10,000

Geepee Tank 1500litres N23,000

Geepee Tank 500 litres N14,000

Nylon 7 pcs @ N700 N4,900

1.5KVA Generator set N100,000

**WORKMANSHIP**

Carpenter N65,000

Bricklayer N80,000

Miscellaneous N130,000

 **N507,000**

**PRODUCTION**

1000 pullets @ 200 N200,000

400 broilers @ 150 N60,000

 **N260,000**

**OPERATIONAL EXPENSES**

Business Registration N20,000

Feeds, Vaccines & upkeeps N1,500,000

Salaries and stationeries N350,000

 **N1,870,000**

**SUMMARY**

Capital expenses N2,196,500

Operational expenses N1,870,000

**TOTAL EXPENSES N4,066,500**

**TOTAL SALES FOR PERIOD OF 12 MONTHS**

Layers N9, 108,000

Broilers N2, 850,000

 **N11, 958,000**

**PROFIT = SALES – EXPENSES**

For layers during egg production, the expenses are half of sales of egg will go in for feeds and other operational expenses. i.e. N6,162,000 divide by 2

9,108,000

 = N4,554,000

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For broiler the cost of production till the birds reaches table size before disposition is between N900 to N1000. So therefore let put the bench mark to N1000. If N1000 broiler is sold at the rate of N2000

2,280,000 – N1,140,000 = N1,140,000

The profit of layers for the period of 12 months = N4,554,000

The profit of broilers for the period of 12 months = N1,140,000

Total profit = N4,554,000 for layers

 N1,140,000 for broilers

 **N5,694,000**

**CONCLUSION:** The project is technically feasible and commercially viable. It is therefore highly recommended for funding.