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MATRIC NO: 18/MHS02/010

DEPARTMENT: NURSING

LEVEL: 200L

COURSE CODE: AFE202

A BUSINESS PLAN ON FISH FARMING FOR STEVON FISH FARM IN AKURE ONDO STATE,NIGERIA.

EXECUTIVE SUMMARY

Stevon catfish business will be established to meet the fish demand of the community. It will be located in Oja Oba market, Akure. The main economic significant of the business is to contribute towards narrowing down the fish demand supply gap deficit in Nigeria as well as the supply of proteins and micro nutrients for feeding the teeming population Akure, Ondo state and Nigeria at large. The business would be managed by Emmanuel Olatosin, Henry John and Stephen Jay who are all part of the management team. They are all experienced in the field of fish farming and have managed different businesses across the state.

The catfish industry is a lucrative business as the demand of fish in the country is growing geometrically, the opportunity to expand is necessary because of the growing demand for fish and due to some health benefits attached to consumption of fish are compared to consumption of meat. With our dominance, and being the only and pioneering fish farm in this locality, we would flood the whole market with our fish. The business will be a partnership with all partners required to contribute capital according to agreed percentage (40%, 30%, 25%)respectively.

The risk of business is mainly getting a market and we have already identified our target market. The cost benefit analysis of this plan shows that in the startup year, with 1700 fingerlings in stock and projected sales of 1500 adult fish in one circle which is half year, we would make #1,000,000. This implies about #2,00,000 is realizable annually for two (2) production cycle with a return on investment (ROI) of 100% which indicates that the project is very much feasible, viable and very much profitable and as such worth investing.

INDUSTRY ANALYSIS

The fish industry involves the cultivation and marketing of fish in a controlled environment for all or part of their life cycle. The catfish industry in Nigeria is one of the fastest growing segments of the agriculture fish market today. The growth potential for the catfish market is at its strongest level ever. The demand for catfish is increasing due to the ever-increasing health consciousness of consumer. Per capital consumption of fish in Nigeria has increased geomentrically. These increase in demand are stressing the world’s natural fisheries, which are generally considered to be at or near their maximum sustainable yield, thus increasing the demand for the catfish raised in aquaculture facilities. Not to mention the increasing demand in our society for locally gown products.

GROWTH RATE, INDUSTRY SIZE , OPPORTUNITY AND SALES PROJECTION

The demand for fish according to the federal ministry of agricultural was 9.1million tons in 2015 while domestic production was 3.5million tons. The Nigerian Federal Ministry of Agricultural estimates that the demand for fish in the nation is projected to grow from its current demand by 30%. The deficit was partly augmented by massive importation of fish of about 1,200,0000 tons. This is a big drawback on our scarce foreign exchange. This is still left a huge deficit of 4,4000,000 tons, hence the concerted effort to ensure self-sufficiency in fish production through aquaculture in Nigeria.

The demand for Fish in the country is currently estimated at about 11,830,000 million tons annually, as against the local annual production of just 3,500,000 metric tons, giving a a demand supply gap of about 8,330,000 million tons. It is very clear that the demand is far higher than supply.

TECHNICAL ASSISTANCE

The company is in collaboration with Farmer’s aid and the help with record keeping, provision of equipment and supplies needed, land access and marketing.

INDUSTRY DEMAND

The demand for cat fish is a non-seasonal commodity. There are no up and downtrends in this industry as there is always demand for catfish. Demand even goes higher than normal during fasting periods, at evening time of break, people would also come to buy to break their fast.

Our Goals

-To remain pioneers in the fish farm business and to further strengthen our leading position.

-To increase the production of our product(Catfish)

-To lay emphasis on the vertical integration of the production and to achieve added value.

-To increase productivity and efficiency to the benefit.

-To establish long-term planning for the benefit of the consumers and make more profit.

-To successfully meet the challenges and demands of the domestic market.

-To seek transparency in the structure, operation and production of the company.

COMPETITION ANALYSIS

Our main competitor in this fish farming business is the importers of frozen fish, from our analysis, the cost per kilogram of frozen fish, popularly called ice-fish is #750 to achieve this, weighing three units which give a kilogram of and a unit of that size of fish bought for #250. Currently, the catfish is sold to main distributors at #500 per kilogram, and it is retailed at #600 per kilogram, this makes it reasonably cheaper, survey data has shown that the catfish is preferred to the frozen ice-fish in taste and nutritional value. For other competitors in the cat fish market, we have considerable advantage, being that fish farming is our passion and our farm is situated right within reach and the market premises which makes supervision easier and effective. We the partners as the sole equity owners and also the ones to provide most of the factors for the production as land the location and climate of the area is very suitable for fish production. The business has relatively low overhead expenses with few staff presently to match current production capacity.

LEGAL STATUS

The company will be registered under the companies and Allied Matters Act (CAMA 2004) and will comply with all the necessary rules and regulations that guide the operations of companies in Nigeria as contained in the Act.

MARKET ANALYSIS

Fish farming in Nigeria started gaining wide spread recognition in the year 2000 and has now become a business that all farmers are venturing into. Statistics has it that only 50% of the demand of fish has been met, why is that so? Statistics also has it that 51% of poultry farmers are now engaging or converting to fish farming.

Nigeria who is a major consumer of fish has been known for her large importation and total dependence on fishing in rivers lakes and the sea, yet the demand for fish is still high. States around the west like Lagos, Ogun and Osun realized the business in good time, that’s why at 2007 Lagos state had over 40,000 registered farmers and 20,000 being fish farmers, this statistics is not taking into consideration the non-registered farmed farmers. This large market of life fish has remained untapped by the residence of states in North East ,North West and North Central Nigeria, you are one of the chosen few to enjoy what it has to offer. On daily basis a large number of fish is been imported into the country in order to attempt to meet the unending demand yet the demand never seems to reduce is a need for increased fish farming in the North and Central regions of the country.

BENEFITS TO CLIENTS

Most children that grow with low protein intake end up malnourished and low intelligent quotient .Economically, the continuous importation of frozen fish to the country reduces our GDP, and thus reduces the national income. Also, the ever increasing rate of unemployment in the country is truly becoming worrisome to the Government and well-meaning Nigerians. Like most entrepreneurs, the goal of the fish farm business is for profit, but the underlying benefits cannot be overemphasized, from putting more fish into the system, thereby increasing the chance of more source of protein in the society at affordable rate to reduction of unemployment rate and increase in national income, taxes are paid and wealth are distributed.

RISKS AND CHALLENGES IN FISH FARMING

1 .Fish is very sensitive to manage and a slight mistake could result to degenerated growth of fish or even death which may cause massive revenue loss.

2 .Setting up fish farm is capital intensive, much more than that of poultry and snail farm. Setting up fish farm requires more careful planning and much capital input. A relatively small fish farm may take up to #500,000 to setup, while bigger ones takes millions of naira.

3. Due to the cost of production, fish produced from the farm is priced higher than those caught from the rivers and ponds by fishermen. Therefore, if there are good quantity of fishermen’s fish in the market, it may the difficulty to sell as people would prefer the cheaper ones.

4. There is no byproduct in fishery unlike poultry where even the drop can be harvested and sold to other farmers and make extra profit. In fishery all you get is the flesh.

FINANCIAL PLANS

Cost Of Constructing Each Pond Is As Follow;

Each pond is 3m\*2.5m by 1.4m,each pond consumes 210 blocks and each bag of cement for 30 blocks. Hence 210\*10=2,100 blocks. 2,100/30=70bags of cement needed.2000\*70=140,000 naira

4trips of sand used =7,000\*4=#28,000

2trips of gravel =32,000\*2=#64,000

Firstly, Cost of labor =#15,000

Secondly, cost of plumbing (inlet and outlet facility)=#100,000

Thirdly, Cost of bore hole =#150,000

Fourthly, Cost of treatment=#50,000

Cost of high breed fingerlings =#15,000

Secondly, cost of plumbing (inlet and outlet facility)=#100,000

Thirdly, Cost of bore hole =#150,000

Fourthly, Cost of treatment=#50,000

Cost of high breed fingerlings 30\*10,000=300,000

Lastly, Cost of feeding from day one maturity stage is 200 bags of foreign feed =#1,000,000

After the average weight of the fish was 1.7kg. And it was sold at 800 naira each. The output was 800\*9800 fishes, due to 200 mortality. 800\*9800=#7,840,000

Input is #3.25 million. The profit is #4.59 million after six months of culture. Following this cost analysis, you can easily invest #4million with six months it will take for you to harvest and sell.

There is no doubt that fish farming is very lucrative and profitable in Nigeria.

CONCLUSION

-This project is technically feasible an therefore recommended for funding