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BUSINESS PLAN FOR A DAIRY FARM:

Dairy farming involves breeding cows, milking them, and selling the milk. Dairy cattle farming is a very profitable business, and many people are making money all over the world by starting dairy milk farming businesses. Dairy farming is a lucrative business, providing income for millions of people, but there are some essential things you need to do before you venture into the dairy milk production business.

The undersigned reader acknowledges that the information provided in this business plan is a confidential intellectual property; therefore the reader agrees not to disclose it to a third party without the express written permission of the promoters of the proposed business.

It is acknowledged by the reader that information furnished in this business plan is in all respect confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by the reader, may cause serious harm or damage to the promoters of the proposed business.

Upon request, this document is to be immediately returned to the promoters of the proposed business.

REQUIREMENTS:

LAND

Land is an important factor when you are starting a dairy farm business. When selecting land for your dairy farm, some important considerations include: availability of quality and consistent water supply, the size of the land, quality of grass and grazing pasture and the soil type is it affects pasture quality. Other factors include availability of already made infrastructure like good road network, milk facilities, dependable electricity, pens, sheds, buildings. Constructing buildings for a dairy farm is expensive, so it would be an advantage if some buildings are already there.

HOUSING AND EQUIPMENT FOR DAIRY FARMING BUSINESS

To be successful in the dairy farming business, it’s important that you provide good and adequate housing for the dairy cows. Housing for dairy cows is required for several reasons: protecting the dairy cattle from adverse weather conditions, confining the milk cows when they are not grazing, and to allow easier management and control of the dairy milk herd. The best dairy design depends on the local climatic conditions, budgetary constraints and availability of bedding materials. When designing housing for the dairy milk herd, take into consideration the need to provide adequate space, feed & water facilities, milking facilities, waste management and livestock handling features.

There are many different structures which can be used for a dairy milk farm, and these include free-stall, tunnels, composite barns, dry lots, tie-stall facilities and dairy sheds. Other dairy milk cow structures include milking parlour, sick/isolation pens, calving boxes, crowding pens, sorting corrals, working chutes & gates, and squeeze gates. However the necessity of the structures depends on the size of the dairy farming business.

The dairy farm also requires good fencing, so as to contain the milk cows and manage their grazing. Dairy farm fencing can be by barbed wire, high tensile smooth wire or electric fencing. Equipment necessary for a cattle dairy farming business include cows drinking equipment, feeding equipment, buckets & pails, milking equipment, storage tanks, milk processing equipment, livestock trailer, and manure spreader. Your dairy farming business plan should take into account the cost of purchasing or renting the land, structures and buying the equipment.

BREEDING STOCK FOR DAIRY FARMING BUSINESS

To start a dairy milk production business, you require the dairy breeding stock: bulls (male cattle) and milking cows (female cattle). A dairy farm can also be operated without bulls, by using artificial insemination for breeding the milking cows. The cows should breed every year, as milk production only happens after the cows have given birth to calves. The decision of which dairy breed to use is important, and affects the success of your milk production business.

The breeds you choose will affect the milk production potential of your dairy farming business. Some breeds are better than others at producing good milk quality. The quantity of milk produced also varies depending on the breed of the milk cow. Other characteristics which vary among breeds include breeding age, productive lifespan, adaptation to different environmental conditions & climates, calving ease, feed conversion, diseases resistance, and average birth weight. The most popular breeds used in the the dairy farming business include Holsteins, Jersey, Brown Swiss/Braunvieh, Ayrshire, Guernsey, Dairy Shorthorn among others.

FEED AND NUTRITION

Success of your dairy milk production business is also affected by the feeding programme which you use. The feeding program of the dairy farming business should ensure that adequate nutrition is provided to both the cows and calves at all growth stages and during all seasons. This should be done while keeping an eye on the feed costs, as they greatly affect profitability of the dairy milk farming business. Dairy cattle need a daily supply of all nutrients required for maintenance and production: milk, meat, growth and pregnancy.Failure to provide adequate feeding for the milk cows and calves results in low milk production, poor reproductive performance, poor growth of the calves and poor disease resistance. These factors all lead to reduced revenues for the dairy milk production business, thus lower profits. Feeding programs of dairy farming are usually based on pasture grazing, in combination with supplementary feed. The supplementary feed for dairy cows include concentrates, hay, corn, fodder, salts & minerals, silage, commercial dairy cow feeds and grains.

MARKET FOR DAIRY MILK

Milk is often regarded as being nature’s most complete food because it provides many of the nutrients which are essential for the growth of the human body. Being an excellent source of protein and having an abundance of vitamins and minerals, particularly calcium, milk can make a positive contribution to the health of a nation.

The market for milk is very huge and is ever increasing, annual milk global demand exceeds 800 million tonnes. Your dairy farming business can sell raw or processed milk. The market for dairy milk includes supplying to milk processors, grocery stores, schools, companies, individual households, organisations etc.

BUSINESS STRUCTURE

Below is the business structure of the dairy farming business enterprise:

Milk Collection Team

Production Team

Farm Advisory Team

Human Resources Management Team

Market and Promotion Team

The personal plan reflect the need to booster our capability to match our

position project farm, will have the following staff

Dairy farm manager → BSc

Barn worker skilled

Veterinarian→diploma

Pasture and worker→ skilled

The ultimate goal of all our employees is to meet or exceed our customers'

expectations. They are all empowered to take any reasonable action to avoid a

customer leaving our premises dissatisfied.

Our continuous improvement policy encourages all employees to continually

look for ways to keep updated with the latest technology, to improve processes,

reduce costs and save time. This approach serves the goal of reducing costs

and delivery times, and increasing the service quality and customer

satisfaction.

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 PLAN:

All prices are in Naira ( N)

These are the key expenses you are expected to make when starting a medium scale but standard dairy farm business in Nigeria;

The cost for the purchase of cattle feed and cattle medication – 65,000.

The operational cost for the first 3 months (salaries of employees, payments of bills et al) – 60,000.

Other start-up expenses including stationery (500), phone and utility (gas, sewer, water and electric) deposits (6,500).

The cost for construction of a standard cattle ranch/dairy farm facility with the right fencing – 300,000.

The cost for leasing a large farm land – 200,000

The cost for insurance (general liability, theft, workers’ compensation and property casualty) coverage at a total premium – 30,400.

The cost for hiring business consultant (including writing business plan) – 2,500.

Marketing promotion expenses for the grand opening of the dairy farm in the amount of 3,500 and as well as flyer printing for the total amount of 3,500.

Legal expenses for obtaining licenses and permits (Health department license and business license) and permits (Fire department permit, Air and water pollution control permit, Sign permit et al) as well as accounting services (CRM software, Payroll software, P.O.S machines and other software) – 15,300.

The total fee for registering the business in the United States of America – 750.

The amount required for the purchase of the first set of cattle (cows, oxen, bulls, bullocks, steers, heifers and calf) – 150,000.

The cost for acquiring the required working tools and equipment/machines (milking machine and milk collector, milk storage tank and container, water trough, rake, shovel, spade, wheel barrow, cart et al)– 150,000.

The cost for store equipment (cash register, security, ventilation, signage) – 13,750.

The cost of purchase and installation of CCTVs – 5,000.

The cost for building and hosting a website – 600.

The cost for opening party – 8,000.

Miscellaneous – 5,000.

You will need an estimate of one million, two hundred thousand naira (1.2 million) to successfully set up a medium scale but standard dairy farm business/cattle ranch in Nigeria.

Signature:

Name:

Date: