**NAME:** TUBONIMI DAVID

**DEPARTMENT**: MECHATRONICS

**MATRIC NUMBER:** 18/ENG05/061

**COURSE CODE**: AFE 202

**QUESTION:** Prepare a business plan on a chosen agricultural enterprise with a minimum of five pages, times new roman, font 12 with double spacing.

**Marvel Enterprise**

Address: Plot 5 Adegbola street off Adetokunbo Rd off Iyangunku G.R.A. Ibadan, Oyo state, Nigeria.

**Names and addresses of principles**

1. Nifemi & Bisola Law Firm (Investor)- House 13 Agulu lake street, Maitama, Abuja.
2. InMotion Automotive Engineering company (Investor)- No 5 Azeta close off giwa-amu Rd G.R.A Benin city, Edo state.
3. Agro Farms LTD (Investor)- Plot 12 & 14 Oladiran street, Bodija Ibadan, Oyo state.
4. NatnudO Food (Investor)- Gengeto Bus-stop, 357 old Abeokuta Rd, Agege, Lagos.
5. Maestro Music (Investor)- No 8 Ikorodu road, Maryland, Lagos state.
6. Onyediran farms LTD (Investor)- No 5 Adegule Rd, Agege, Lagos state.

**Nature of business**

 Marvel Enterprise is an agricultural enterprise that was first initiated in 2019. Marvel enterprise is dedicated to providing our customers with high quality poultry (chickens) products that will meet the market demand and daily consumption of individuals. These products will provide great health benefits for the whole family as well as a great value of money. We ensure to maintain a high level of organizational excellence in all aspects of our business from raring of poultry products right through distribution until the products get to our customers. We presently have three main products of distribution. Our live chicken, our premium frozen chicken and our eggs. We will continue to improve on our offerings through continuous research and subscribing to best practices in the poultry industry. We plan to introduce new products lines that will delight our customers and meet their needs for healthy food products. We also plan to expand our enterprise to certain states across Nigeria.

**Statement of financing needed**

|  |  |
| --- | --- |
| **Items or materials needed**  | Cost in Naira (#) |
| Plot of land | 2.5 Million  |
| Clearing of the land  | 100 Thousand  |
| Fencing of the piece of land  | 300 Thousand  |
| Installation of bore hole  | 150 Thousand  |
| Erection of structure for the poultry  | 350 Thousand  |
| Electrification of the structure  |  |
| Cost of purchase for 2500 chicks. 1 chick=1000 Naira  | 2.5 Million |
| Materials needed for feeding chicks  | 1.5 Million  |
| Feed for chicks in first 6 months  | 500 Thousand  |
| **Total**  | 7.9 Million  |

**Business Plan Confidentiality Agreement**

The undersigned reader of Marvel Enterprise business plan hereby acknowledges that the information provided is completely confidential and therefore the reader agrees not to disclose anything found in the business plan without the express written consent of Olaitan Mojisola Olanrewaju.

It is also acknowledged by the reader that the information to be furnished in this business plan is in all aspects confidential in nature, other than the information that is in the public domain through other names and that any disclosure or use of the same by the reader may cause serious harm or damage to Marvel Enterprise.

Upon request, this business plan document will be immediately returned to Olaitan Mojisola Olanrewaju.

This is a business plan. It does not imply an offer of any securities.

**Applicable Law**

This contract shall be governed by the laws of the country Nigeria in the state of Oyo and any applicable Federal law.

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Signature

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Name

**Executive Summary**

OVERVIEW

Marvel Enterprise is a community-based project that was conceptualized by a passionate, committed and enthusiastic social entrepreneur. This exciting project is the brainchild of Olaitan Mojisola Olanrewaju. Marvel Enterprise was set up to promote the creation of jobs, women and youth empowerment, economic development and poverty alleviation. It features key stakeholders such as the youth and women, members and workers of the project, customers, suppliers and the wider community. The project will specialize in the production and sale of eggs and distribution of frozen poultry products. The project will essentially purchase ‘ready to lay’ pullets and raise them through their productive cycle. The project members have already identified a suitable location for the project and have entered into discussions in connection with leasing a farm. The project shall be based in the outskirts of Ibadan, Oyo state, Nigeria.

THE BUSINESS OPPORTUNITY

The members of the project have realized that there is great demand for eggs by hotels, bed and breakfast providers, guest houses, holiday resorts and other related entities. These entities usually procure their eggs from as far as Ventersdorp and are inconvenienced financially as well as time wise by transportation activities and their associated costs and risks. There are currently few reliable egg producers and suppliers based in the outskirts of Ibadan.

Marvel Enterprise wishes to exploit the opportunities presented by engaging in the production and sale of eggs. This shall be by means of purchasing ready to lay pullets, which shall be kept and nourished at the premises of the project during the productive phase of their lifespan. The eggs produced shall be collected, sorted, packaged and thereafter sold and distributed to the target market of the project - which primarily encompasses, small to medium sized hospitality related entities.

THE MARKET

The identified key segments for the project include, individual and corporate consumer market segments. In terms of similarities, both individual and corporate clients seek the health and taste benefits of eggs. They regard eggs as an excellent source of protein, which is at times an alternative to red or white meat. As for the differences, the quantities required and purchased by corporate clients supersedes that of individuals. The corporate market segment is more lucrative as compared to the individual consumer market segment. This is attributed to the fact that the segment has a greater growth rate, growth potential and is more profitable.

THE TARGET MARKET

The selection of a lucrative market is imperative to the success of Marvel Enterprise. Key factors were considered prior to selecting a lucrative market for the project. These encompass profitability, growth, growth potential, size of the market, risks associated with the market and the capacity of the business to serve the selected market. The proposed target market for Marvel Enterprise shall be primarily composed of consumers within the corporate arena. The business will target resorts; essentially the customers shall emanate from bed and breakfast providers, guest houses, mine kitchens and hostels, tertiary institutions as well as small scale and emerging community stores within the outskirts of Ibadan. The project shall primarily target hospitality businesses near G.R.A as well as attraction centers such as Agodi Gardens. Additionally, the project shall strive to secure contracts to supply eggs to prominent hotels on a regular basis.

**Environmental, Industrial and Market Analysis**

Poultry farming is one of the most lucrative businesses in Nigeria, and according to statistics poultry farming in Nigeria 2016 recorded huge profit due to the recent investment in agriculture across the country and the high demand for chicken meat and eggs.

Poultry farming is one of the most important farming in Nigeria because it provides employments for job seekers and thereby creating a great business opportunity for entrepreneurs. A good poultry farmer can earn over N20 million annually.

In Nigeria, about 200 million people consume poultry products ranging from eggs, chicken, turkey, this poultry products are being consumed on a daily basis and that is why this business is so profitable because the demand for poultry product is always high.

Ever since the Federal Government of Nigeria placed a ban on imported poultry products, some smart Nigerians who has seen how profitable this business is went into this business and are now multimillionaires yet the demand remains unsatisfied

Poultry farming has lots of benefit when compared to other agricultural practices and that is why a good poultry farmer like I said earn over 20 million yearly just from poultry production in Nigeria but this profit depends on the capital you start with.

In poultry farming there are different breeds of poultry birds, they are, Layers, Broilers and Cockerels. The fastest growing breed is the Broilers, they can mature within 12 weeks this can only happen when you feed them very well. As for the Cockerels, they grow fast but not as fast as the Broilers but one good thing about them is that they are stronger and can survive bad weather more than Broilers and Layers.

In poultry farming there lots of aspect to it. Most times when we mention poultry farming a lot of people think about rearing of chicken or turkey alone but there is more to poultry farming than just rearing of chicken and turkey. It’s a very broad business. There are other aspect of poultry farming business and they are as follows,

1. Chicken Breeding (Hatchery)

2. Meat Production (Broilers Breeding)

3. Egg Production (Layers breeding)

4. Poultry Feed Production

5. Poultry Marketing and Consultancy

6. Poultry Equipment Manufacturing

7. Egg and Meat Processing, Packaging and Marketing.

If you want to venture into poultry farming business you have to be very sure of the area you are going into because in actual sense all of this poultry farming business are lucrative however some are more lucrative than others.

You can go into all aspect of poultry farming, that is, if you have the capital starting from Hatchery you can go into Egg production, from there egg and meat processing, packaging and marketing and with time you will definitely have people you would consult for so that is just how it is but first your determination and technical know-how is what will grow your business and that is why having a poultry business plan is strongly recommended if you must succeed in this business.

In poultry farming you will have to decide if you want to rear Broilers or Layers. For mainly meat production, Broilers have the ability to grow very fast and fat, they weigh more than Layers and they tend to sell more than Layers. On the other hand, Layers are usually raised for laying eggs so if you intend to go into egg production as well you would need to get Layers. Our poultry farming business plan are for both Broilers and Layers.

**Description of Venture**

 Marvel Enterprise is an agricultural enterprise that was first initiated in 2019. Marvel enterprise is dedicated to providing our customers with high quality poultry (chickens) products that will meet the market demand and daily consumption of individuals. These products will provide great health benefits for the whole family as well as a great value of money. We ensure to maintain a high level of organizational excellence in all aspects of our business from raring of poultry products right through distribution until the products get to our customers. We presently have three main products of distribution. Our live chicken, our premium frozen chicken and our eggs. We will continue to improve on our offerings through continuous research and subscribing to best practices in the poultry industry. We plan to introduce new products lines that will delight our customers and meet their needs for healthy food products. We also plan to expand our enterprise to certain states across Nigeria. We hope to become to top poultry farm by supply our customers high quality products at every point in time.

Our mission is to produce high quality poultry products that will meet the market demand and daily consumption of individuals. We seek to be the number 1 poultry product being delivered at every door step. We also seek to help the less privileged with funds which will be raised from the selling and distribution of our farm produce. We plan to partner with humanitarian organizations so as to provide help where it is needed across Nigeria. Our vision is to be the top poultry farm in the year 2022.

1. Products: In Marvel enterprise, we plan to make available to our customers the following products.
* Chicken breeding (Hatchery).
* Meat production.
* Egg production.
* Egg and meat processing, packaging and distribution.
* Distribution of frozen poultry products.
1. Services: Marvel Enterprise focuses on the following works: poultry housing, communications, training, farming, and supplying activities.
2. Size of business: Marvel enterprise is a small business venture set up by a group of individuals on a small-scale business.
3. Office equipment and personnel: The equipment needed are chicken egg hatching accessories, Poultry processing Equipment, Poultry feeding systems, poultry drinking systems. A total of 20 employees will be needed to work on the farm after business set up.
4. Background of entrepreneur: Olaitan Mojisola Olanrewaju is a young entrepreneur in her mid20’s. She finished from Afe Babalola University, Ado Ekiti with a bachelor’s degree (BSc) in pharmacology at the age of 20. She is currently running a foundation program to help the less privileged children in Nigeria.

**Operational plan**

1. MACHINERY AND EQUIPMENT

|  |  |
| --- | --- |
| Item  | Details  |
| Layer houses  | These shall be in the form of layer battery cages that are put under a roofed house. These will accommodate 2 500 layers. The cages are made up of cells which accommodate 2 layers each. The layer houses will be such that they protect the layers from direct sunlight, excessive wind, rain, extreme heat or cold, wild birds and theft.  |
| Feeding Systems  | Feeding systems will be required to easily distribute feed and water to the birds. The feeding systems can be automatic or manual. An automatic feeding system is preferable. A Silo will therefore be important to store the feed.   |
| Ventilation Systems   | Ventilation will be important to ensure that the air quality and temperature is appropriate for the layers.  |
| Motor Vehicle  | A motor vehicle shall be needed to purchase layers, feed and other requisitions for the project. Additionally, a motor vehicle is essential for distribution purposes and other logistical needs of the project. A panel van or bakkie shall be appropriate for the project.    |
| Office Equipment  | Equipment in terms of office chairs, tables, desks and cabinets shall be necessary for the administration building of the project.    |

Consideration shall also need to be given to the following areas:
i) Water Supply: A reliable fresh water supply will be important for the poultry business.  A borehole or other reliable source of water will be imperative for the business.  The business should also consider an overhead water tank of about 10 000 litres capacity.

ii) Electricity Supply: The provision of 250 KVA supply of electricity will need to be made for the project. Where possible uninterrupted supply of electricity will also need to be facilitated by means of generators.

2. LAYOUT OF THE BUSINESS PREMISES

Shown below is the suggested layout of the business premises for Poultry House Project CC. The sections within the business premises will include:

* Reception
* Back office
* Back office storeroom
* Cooling / Storage area
* Sorting, Grading and packing
* Toilets
* Shower
* Layer houses
* Footbath



3. Raw materials needed

1. Chicken feed
2. Packaging materials e.g. sacks, egg crates etc.

4. Marketing plan: The marketing efforts will focus on identifying and understanding the everchanging needs and preferences of the customers in order to satisfy them. The marketing mix will drive the customer value proposition of the project. The following is an account on the product, promotion, place and packaging that will be applied to the selected market segment. One of the main products of the project shall be the eggs produced by the layer birds. The project will strive to improve the quality of the eggs produced and sold by providing the right nutrition and environment condition for the layers. Other products to be sold by the project will include the manure resulting from chicken droppings. Manure is a desirable fertilizer that is highly sought after by farmers and flower growers. Additionally, the project will sell layers (cull hens) that become unproductive (around 70 -110 weeks). Cull hens are considered to be a delicacy for most consumers and as such, the business will be in position to sell these at lucrative prices.

Marvel Enter will use a combination of push and pull strategies to create awareness for the business and appraise leads and sales. Communication will essentially be directed to small and medium sized entities such as lodges, bed and breakfasts and lodges. The target consumers will ideally pull the product through the distribution channel forcing the wholesalers and retailers to stock the products of the project. The marketing efforts of the business will be designed such that they create attention, interest, desire and ultimately cause the target audience to take action by purchasing the products of the business. The project will make use of the marketing and distribution officer so as to ensure that the promotion efforts are well executed. The marketing officer will also assist the business in establishing a brand for the business i.e. Marvel Enterprise and promote it so that the customers are able to identify the project and product. Branding will also assist in terms of positioning or creating a picture in the minds of the consumers about the project and the products it provides. It shall encompass the following:

|  |  |
| --- | --- |
| A project website  | The project will register a domain name and engage a web design consultant to develop a website for the project that provides information to potential clients. This will not only give the project a local presence but also open up opportunities for an international presence.  |
| Project logo  | A business or project logo will be developed for the project. This will be a ‘graphical icon’ that will help customers easily identify the project.  |
| Professional letterhead  | The professional letterhead will be developed for the project. It will be used to write letters to suppliers, customers and other stakeholders. The letterhead will form part of the branding for the project as it will essentially be used for communication purposes  |
| Flyers  | A4 and A5 sized flyers will be made to promote the products of the business.  |
| Business cards  | These will be small wallet sized cards that will be made for each member of the business. The cards will show the name of each member as well as their contact details. The business cards will be given to potential clients in order to engage further communication |
| Business slogan  | The business will have a catchy and creative slogan that will form part of its branding and business culture. |

Marvel Enterprise will establish a unique selling advantage as it will look into all aspects of adding value in terms of customer intimacy and value-based pricing. This will be communicated to the clients via promotion means.

Appropriate and effective forms of advertising will include word-of-mouth, hand-delivered flyer promotion – to promote any specials that the project might have. This can be extremely effective if coupled with client referrals as a base with constant monitoring and follow-ups. Market intelligence; that is, being aware of the market and changes within the market will be vitally important. For example – new competitors, keeping customers aware of any new developments or products will be an integral part of the promotion efforts of the project. Keeping the name current in the mind of the consumers will also be of utmost importance. Clearly targeted and consistent advertising will increase sales, improve the market share and earns the project greater profits while hopefully developing new entries into new markets. The promotion initiatives of the project are categorized and summarized in the following table:

|  |  |
| --- | --- |
| Promotion Avenue        | Details  |
| Publicity and public relations  | Publicity and public relations will encompass the stimulation of demand by interacting with the community via articles in local releases as well as making the community informed about the project and the value it adds to society. This will be done at public gatherings, and other appropriate places   |
| Advertising  | This will encompass non-personal presentation and promotion of the products of Marvel Enterprise through media channels such as flyers and local radio stations. The advertising will be in such a way that it educates the target audience about the nutritional benefits of eating eggs.   |
| Sales promotion  | This will be coverage of impersonal and short term or occasional offering of incentives such as small discounts on bulk purchases of eggs or ‘buy one get one free’ campaigns  |
| Personal selling  | The project will make use of dedicated sales and marketing personnel that will be responsible for communicating the benefits or value of the products of the project to potential customers.  |

**Organizational plan**

Form of Ownership: Marvel Enterprise is owned by a young entrepreneur, Olaitan Mojisola Olanrewaju. Who have cultured the idea of this enterprise and decide to work with certain individuals in other to raise capital.

* Authority of principles
1. Nifemi & Bisola law firm
2. NatnudO Foods
3. Agro farms
4. InMotive Automotive engineering company
5. Maestro Music
6. Onyediran farms
* Management team

The management board is a group of individuals who have been properly assessed and have been made qualified to take part in the adequate functioning of this enterprise. Their CV’s have been adequately checked and their characters have been well assessed.

* Roles and responsibilities of members of the organization
1. Members of the enterprise are to be punctual to work.
2. There are to have good attitude to work.
3. The are to have good communication skills.
4. They are to have well educated knowledge of the business of the enterprise
5. Matters discussed in the enterprise should remain confidential among workers of the enterprise.
6. Workers are expected to dress appropriately to work.

**Assessment of risk**

Discussed below are the key risks and issues likely to face Marvel Enterprise. An account on the possible mitigation efforts is also given.

* Financial Risk

In terms of the financial risk, this emanates from the fact that the owners’ contribution is less compared to the funds required from potential investors. Hence, the gearing ratio is therefore not as desirable. To mitigate this risk, the project members shall strive to reinvest at least 60% of the profits into the business so as to improve the gearing ratio. The project will strive for a good return on investment. In the first year of operation, employee costs will be minimized so as to ensure that this risk is minimized.

* Market Risk

There is a potential market risk in terms of competition from well-established poultry farms and suppliers such as Rainbow Chickens, OBC Chickens, and Chubby Chicks. Marvel Enterprise will have to compete for market share with these established businesses. To mitigate this, the business will focus on a specific market segment and strive to understand the customers better than the competitors.

* Human Resource Risk

The project will require skilled, knowledgeable and competent staff in significant areas such as business management, financial management, costing, entrepreneurship and technical aspects relating to raising layers and egg production management. It will be important for the owners, management and employees to be well trained. Moreover, a loss of key personnel is likely to affect the business adversely. To mitigate this risk, the business will promote and cultivate a culture of sharing knowledge and skills amongst the members and employees. The business will approach agencies such as SEDA for business training sessions. The project will also be part of agriculture related training facilitated by AgriSETA, the Department of Agriculture or The Nigerian Poultry Association.

* Economic Risk

Another risk facing Marvel Enterprise is an economic risk. On a global level, there is currently an economic recession (declining at present), as such the unemployment rate has gone up meaning that few people have buying power and the fact that consumers have tighter budgets as compared excellent financial years such as the year 2007. Furthermore, an economic risk may emanate from the high electricity charges should Eskom go ahead with the 24.8% hike currently subject to discussions. This may ultimately outlook high inflation that renders expenditure items and other costs to be expensive. The depreciating rand is also a factor to consider as it also affects prices of procurements such as vaccines, medicines and imported feed supplies. This risk is external and out of the control of the business. There will be likelihood to implement energy saving measures such as the use of energy saving bulbs. Poultry House Project CC will look into alternative energy sources such as solar power and wind mills. The business will strive to not pass on the costs to consumers as it understands that affordability is one of the key success factors in the poultry industry.

* Event Risk or Risk of Disease Outbreaks

There is a risk of outbreak of diseases that could adversely affect the products of the project. When poultry is kept intensively, the risk of disease is very high for the mere reason that the birds are too close to each other. If proper vaccination programmes are not followed the business could suffer major financial losses. It is important that a proper vaccination programme is followed. The vaccination will minimize the threat of diseases. Personnel will ensure that the birds are monitored for diseases and that the chicken housing are kept clean and secure from other event risks.

**Financial Plan**

|  |  |
| --- | --- |
| **tem**  | **Assumption** |
| **Capital expenditure**  | **N1,067,000** |
| **Working capital requirements**  | **N578,000** |
| **Working days per month**  | **26 days**  |
| **Debtors collection period**  | **30 days**  |
| **Creditors payment period**  | **45 days**  |
| **Revenue growth**  | **10%** |
| **inflation rate**  | **6%** |
| **Average contribution margin**  | **45.8%** |
| **Stock turnover rate**  | **7 days**  |
| **Farm capacity**  | **2,500 layers**  |
| **Mortality rate**  | **0.15% per week**  |
| **Efficiency result per layer bird** | **280 eggs per annum are produced by each layer bird; approximately 23 eggs are produced by each layer bird per month**  |
| **Rate of lay**  | **2 eggs every 3 days per layer bird**  |
| **Total eggs laid per annum**  | **54,825 dozens**  |
| **Laying period**  | **Effective period of laying = 52 weeks Birds will be hosted at 18 weeks of age and molted at 70 weeks of age**  |
| **Laying period feed per bird**  | **40 - 50 Kg per layer bird**  |
| **Feed consumption**  | **120g - 150g per layer bird**  |
| **Feed required to produce a dozen eggs**  | **1.75 + - 0.19 kg feed**  |
| **Weight of feed per bag per Kg**  | **50Kg**  |
| **Average selling price of eggs (per dozen)** | **N50.00** |
| **Average selling price of eggs per tray (30 eggs)** | **N15,000.00** |
| **Sale of manure and litters**  | **Selling price = N20,000 per 25Kg bag Frequency = twice per year**  |
| **Sale of unproductive aged layer birds (fowl)** | * **Age of sale = 70 - 110 weeks of age**
* **Average weight = 1.8 Kg**
* **Average farm price = N1000**
 |