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**ASSIGNMENT: FEASIBILITY STUDY ON A POULTRY BUSINESS**

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 **EXECUTIVE SUMMARY FOR POULTRY FARM BUSINESS FEASIBILITY STUDY**

Feasibility study on the establishment of a poultry farm is based on my research and the business will be wholly owned by me, UGORJI NKEMJIKA JANE. The name of the business will be called **Jane Farm Ventures** and it will concentrate on the sales of eggs and table meat bird (broilers).

 We will supply birds and eggs to deferment quick service restaurants in Eastern region of Nigeria and our vision is to be one of the known poultry farm product supplier in Nigeria with a mission to raise healthy 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 Imo. Although, there are already existing poultry farms exiting in Imo, the poultry farm will be sited at Umelemai. Isiala Mbano Local Government in Imo State. The 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 compiled with.

 The venture will help in providing employment to locals, meeting the demand of eggs and bird meat and making the price affordable in future. JANE FARM VENTURES intends to develop into other livestock structures such as cattle, turkey, rabbit and guinea fowl.

**POULTRY STRATEGY AND IMPLEMENTATION SUMMARY OBJECTIVE**

* Firstly, to increase number of our client by 20% within 2 years of our existence.
* Secondly, to evaluate our strategic marketing by every three months.
* Thirdly, to keep and maintain hygienic farms for healthy eggs and birds.

**POULTRY TARGETS AND STRATEGY IMPACTS**

JANE farm products will be priced at an 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 focus on the production of eggs and sale of broilers because of the fund required the venture will start as a small scale business having the population of three Local Governments Isiala Mbano, Anara and Olu East as our target market. The farm site will be a permanent land and will need necessary equipment for its operation as it is a newly firm to start from the scratch.

**OPERATIONAL PLAN ON POULTRY**

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 sale of eggs and broiler birds.

 For egg production, birds usually starts to lay at 18-22 weeks and continue to lay for 52 weeks on average laying fewer eggs as the new mounting period. The typical production cycle last about 72weeks and involve three distinct phases as follows:

* Phase 1: Pullet or broilers: This phase last 8 weeks as small chicks are kept separately from broilers
* Phase 2(Growers): This phase last from 8-21 weeks of age. Growers are the future laying birds and their growth is largely determined on how well they do in the laying house.
* 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 at sold at the end of a laying period of a normal length.

**MARKET ANALYSIS ON POULTRY**

Most meals in Nigeria are not complete without poultry output like egg or meat. Nigeria has over 180million growing population that demand for meat and egg on a daily basis. With increasing awareness on health implication of red meat, there is an increasing demand for white meat which bird meat is part of.

**POULTRY MARKETING STRATEGY**

 As I mentioned earlier, resident of the three local governments of Imo being our target market, awareness will be made by means of advertisement through flyers, handbills and one on one marketing will be done to eateries, restaurants and companies that will be demand for our product. Our major market aggression will be supplied to local market makers of cake, chin-chin, local restaurants and hostels.

 **MARKETING**

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

 **GRADING**

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

**POULTRY BUSINESS EVALUATION OF FINANCE**

 This evaluation is based on birds’ i.e. layers and broilers. Layers lay eggs and broilers don’t. This evaluation will be based on 5% normal loss. If we start with 1000 layer birds, it is possible to lose 50 and if we start with 400 broiler birds, it is possible to loss 20 birds to disease at the process of rearing them.

**LAYERS**

If layers are been rear, it takes 18 weeks to start laying eggs, if we start with 1000 birds and we lose 5% of it, we still have 950 surviving birds and with proper feeding and other maintenance practices, it is possible to get 90% egg production that is 855 per day and 5985 pieces of egg weekly. If we lose 1% of the eggs which is 60 pieces weekly, we have 5925 pieces. 197 crates of egg and eggs are sold according to size. Small size #500, Medium size # 600 and large size #700. Assuming we use the medium size price that is #118500 weekly from sales.

 After lying for 52 weeks, birds will be disposed and sold at #700 each. Therefore, before changing stock we might have made #6,162,000 from egg sales and #665,000 from disposal bring to a total of #6,827,000 from a period of 52 weeks.

**BROILERS**

Broilers do not lay eggs but grow to a table size when they are 8 weeks and upward. We are projecting for 400 birds and if we have 380 surviving birds sold for #1,500 each making a total sale of #570,000 for period of rearing broilers. #570,000\*3 yields #1,710,000 for a period of 12 months.

Total Sales Expected

Layers #6,162,000

Broilers #1,710,000

 #7,872,000

**CAPITAL EXPENSES**

2 plots of land @ #150,000 #300,000

2000 pieces of block @ #110 #220,000

60 bags of cement @ #1800 #108,000

Cement carriage #3,000

Woods #151,700

Roofing sheets #126,000

Roofing slate #25,000

Ceiling slate #15,000

Reggie’s #7,500

Nails #12,000

15 net bundles @ #4,000 #60,000

Iron door #43,000

Total #1,071,200

**SANDS**

2 big tipper of stone @ #25,000 #50,000

Sharp sand #20,000

Soft sand #22,000

Total #92,000

**TOOLS**

Day old feeders 30pcs @ #120 #3,600

Day old drinkers 15pcs @ #200 #3,000

Feeders 60pcs @ #550 #33,000

Drinkers 12pcs @ #2500 #30,000

Shovel and head pan #2,000

Digital thermometer #8,000

Digital scale #10,000

Gee-pee tank 1500litres #23,000

Gee-pee tank 500litres #14,000

Nylon 7 pieces @ #700 #4,900

**WORKMANSHIP**

Carpenter #65,000

Bricklayer #80,000

Miscellaneous #130,000

Total #275,000

Business registration #20,000

**PRODUCTION**

1000 pullets @ #140 #140,000

400 broilers @ #130 #52,000

Total #192,000

**OPERATIONAL EXPENSES**

Feeds, vaccines and up-keeps #1,330,000

Salaries and stationeries #240,000

Total #1,570,000

Summary

Capital expenses #1,781,700

Operational expenses #1,570,000

Total Expenses #3,351,700

**TOTAL SALES FOR PERIOD OF TWELVE MONTHS**

Layers #6,162,000

Broilers #1,710,000

Total #7,872,000

Profit= Sales- Expenses

For layers, during egg production, the expenses of half of egg sales go into feeds and operational expenses that is #6,162,000 divided by 2 = #3,081,000.

 For broiler, production cost till bird reaches table size is #1,000. If #1,140 broiler is sold at #1,500 #1,710,000 - #1,140,000 = #570,000

The profit of layers for 12 months = #3,081,000

The profit of broilers for 12 months = #570,000

Total Profit = #3,651,000