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FOOD SECURITY

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## **INDUSTRY OVERVIEW**

The agricultural industry of which livestock farming or better still cattle rearing is a subset of is no doubt among the leading industry in most countries of the world; it is the industry that produce food for the populace and raw materials for industries.

Because of the significant role the agriculture sector plays, the government of most countries ensures that they go all the way to subsidize seedlings, fertilizers, and farming implements and machinery for farmers and also encourage entrepreneurs to go into various kind of farming including cattle rearing.

There are several business opportunities available in the agricultural industry and one good thing about the industry is that there is market for all the produce from the industry. Cattle rearing is of course a thriving and profitable business because usefulness of beef and other by products from cattle. People eat beef, drink their milk, and use their fur and skin. With cattle milk, cheese can be made, along with other dairy products.

The Beef Cattle Farming industry is indeed a large industry and pretty much active in countries such as Nigeria, United states of America, Israel, Argentine, Holland, Egypt, China, Germany, Turkey and Nigeria et al. There is no single livestock farming company that has dominate market share in the industry hence smaller cattle rearing business can successfully make profits.

## **EXECUTIVE SUMMARY**

Coco Livestock's Investment Company,CLC is a registered and licensed livestock farming company that will be based in the outskirts of Sokoto – Nigeria. We have done our detailed market research and feasibility studies and we were able to secure a hundred acres of land to build our cattle ranch and start our cattle rearing business.

Our cattle ranch / cattle rearing business is a going to be standard one hence will be involved in commercial breeding of cows, oxen, bulls, bullocks, steers, heifers and calf et al. We will also be involved in boarding services, breeding services, dairy support services, livestock health services, farrier services, and shearing services as well.

In the nearest future, hopefully within the first five years of officially running Coco Livestock's Investment Company , CLC, we will start our meat processing plant and milk processing plant and also start exporting our products to other parts of the world.

Which is why aside from the fact that we've secured the required farming land for breeding cattle in commercial level, we have also hired some key employees who are currently undergoing training so as to be able to fit into the ideal picture of the 21st century cattle rearing business workforce that we want to build.

We are in the cattle rearing business because we want to leverage on the vast opportunities available in the livestock farming industry, to contribute our quota in growing the Nigeria economy, in national food (meat) production, raw materials production for industries, to export agriculture produce from the Nigeria to other countries and over and above to make profit.

Coco Livestock's Investment Company, CLC is well positioned to become one of the leading cattle rearing business in Nigeria which is why we have been able to source for the best hands and equipment to run the business.

We have put process and strategies in place that will help us employ best practices when it comes to cattle rearing processes, meat and milk processing and packaging as required by the regulating bodies in Nigeria.

### **OUR MISSION AND VISION STATEMENT**

- Our Vision is to become one of the leading cattle rearing business brands not just in sokoto, but also in Nigeria.
- Our mission is to sell our produce (*cattle, beef and milk*), byproducts and processed meat in commercial quantities both locally, nationally and internationally.
- We want to build a cattle rearing business that can favorably compete with other leading livestock farming / cattle rearing brands in Nigeria and in the globe.

### **TEAM MANAGEMENT**

We are aware of the importance of building a solid business structure that can support the picture of the kind of world class business we want to own. This is why we are committed to only hire the best hands in and around sokoto.

Coco Livestock's Investment Company, CLC we will ensure that we hire people that are qualified, hardworking, dedicated, customer centric and are ready to work to help us build a

prosperous business that will benefit all the stake holders (the owners, workforce, and customers).

As a matter of fact, profit-sharing arrangement will be made available to all our senior management staff and it will be based on their performance for a period of five years or more as agreed by the management of the farm. In view of the above, we have decided to hire qualified and competent hands to occupy the following positions; Below is the business structure Coco Livestock's Investment Company, CLC;

Chief Operating Officer

General Farm Manager

Administrator / Accountant

Cattle Ranch Manager / Supervisor

Sales and Marketing Executive

Field Employees

Front Desk Officer

## **ROLES AND RESPONSIBILITIES**

### **Chief Operating Officer:**

- Increases management's effectiveness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results; developing incentives; developing a climate for offering information and opinions; providing educational opportunities.
- Responsible for providing direction for the business
- Creates, communicates, and implements the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.
- Responsible for signing checks and documents on behalf of the company
- Evaluates the success of the organization

### **General Farm Manager;**

- Responsible for the planning, management and coordinating all farm activities across the various sections on behalf of the organization
- Supervises other section manager
- Ensures compliance during project executions
- Provides advice on the management of farming activities across all section
- Responsible for carrying out risk assessment

- Using IT systems and software to keep track of people and progress of the growth of crops, fishes, birds and animals
- Responsible for overseeing the accounting, costing and sale of farm produce after harvest
- Responsible for training, evaluation and assessment of employees
- Oversees the smooth running of the daily farming activities across the various farming sections.

### **ADMINISTRATOR / ACCOUNTANT**

- Responsible for overseeing the smooth running of HR and administrative tasks for the organization
- Defining job positions for recruitment and managing interviewing process
- Carries out staff induction for new team members
- Responsible for training, evaluation and assessment of employees
- Responsible for preparing financial reports, budgets, and financial statements for the organization
- Responsible for financial forecasting and risks analysis.
- Responsible for developing and managing financial systems and policies
- Responsible for administering payrolls
- Ensuring compliance with taxation legislation
- Handles all financial transactions for the company
- Serves as internal auditor for the company

- Cattle Ranch and Animal Manager / Supervisor
- Works closely with the General Manager to achieve the organizations' goals and objectives

## **SALES AND MARKETING OFFICE**

- Identifies, prioritizes, and reaches out to new partners, and business opportunities et al
- Identifies development opportunities; follows up on development leads and contacts; participates in the structuring and financing of new business
- Writing winning proposal documents, negotiate fees and rates in line with company policy
- Responsible for handling business research, market surveys and feasibility studies for clients
- Responsible for supervising implementation, advocate for the customer's needs, and communicate with clients
- Develops, executes and evaluates new plans for expanding increase sales
- Documents all customer contact and information
- Represents the company in strategic meetings
- Helps to increase sales and growth for the company

## **FIELD WORKERS / CONTRACT STAFF**

- Responsible for feeding cattle and other livestock as instructed by the supervisor
- Responsible for cleaning the cattle ranch
- Change the water in the water trough / trench as instructed by the supervisor on a regular basis
- Handles farm implements and machines as instructed by the section manager / supervisor
- Assists in handling the breeding of cattle
- Carries out task in line with the stated job description
- Assist in transport working tools and equipment from the farm and back to the designated store room
- Handles any other duties as assigned by the farm manager

## **CLIENT SERVICE EXECUTIVE / FRONT DESK OFFICER**

- Welcomes guests and clients by greeting them in person or on the telephone; answering or directing inquiries.
- Ensures that all contacts with clients (e-mail, walk-In center, SMS or phone) provides the client with a personalized customer service experience of the highest level
- Through interaction with clients on the phone, uses every opportunity to build client's interest in the company's products and services



- Manages administrative duties assigned by the cattle ranch manager in an effective and timely manner
- Consistently stays abreast of any new information on the company's products, promotional campaigns etc. to ensure accurate and helpful information is supplied to clients
- Receives parcels / documents for the company
- Distributes mails in the organization
- Handles any other duties as assigned by the line manager

## **SWOT ANALYSIS**

Coco Livestock's Investment Company, CLC do not intend to launch out with trial and error hence the need to conduct a proper SWOT analysis. We know that if we get it right from the onset, we would have succeeded in creating the foundation that will help us build a standard cattle rearing business that will favorably compete with leading cattle rearing / livestock farms in Nigeria and in the rest part of the world.

As a cattle rearing business, we look forward to maximizing our strength and opportunities and also to work around our weaknesses and threats. Here is a summary from the result of the SWOT analysis that was conducted on behalf of Coco Livestock's Investment Company, CLC;

**STRENGTH:**

Our strength as a cattle rearing business is the fact that we have healthy relationships with loads of major players (agriculture merchants) in the livestock farming industry; both suppliers and buyers within and outside of Nigeria.

We have some of the latest cattle rearing machines; tools and equipment that will help us breed our cattle (cows, oxen, bulls, bullocks, steers, heifers and calf et al) in commercial quantities with less stress. Aside from our relationship (network) and equipment, we can confidently boast that we have some the most experienced hands in cattle rearing / livestock farming industry in our payroll.

**WEAKNESS:**

Our weakness could be that we are a new cattle rearing business in Nigeria and we may not have the required cash to pump into the publicity of our business. We are aware of this and from our projection will overcome this weakness with time and turn it to a major advantage for the business.

**OPPORTUNITIES:**

The opportunities that are available to us cannot be quantified, we know that there are loads of homeowners, and industries that will source for cattle (cows, oxen, bulls, bullocks, steers, heifers and calf et al), beef, and milk and also industries that will source for the raw materials from our livestock farms both in Nigeria and other parts of the world.

**THREAT:**

Some of the threats and challenges that you are likely going to face when you start your own cattle rearing are global economic downturn that can impact negatively on household spending, bad weather cum natural disasters (draughts, epidemics), unfavorable government policies and the arrival of a competitor (a commercial farm that rear same animals) as our cattle ranch within same location.

There is hardly anything you can do as regards this threats and challenges other than to be optimistic that things will continue to work for your good.

## **MARKET ANALYSIS**

### **Market Trends**

One of the common trends in the commercial cattle rearing or livestock farming line of business is that most players in the industry are no longer concentrating only on farming a particular species of livestock or just livestock / cattle farming alone.

They now find it easier to run both livestock farming and crop cultivation. Some even go ahead to include meat and milk processing and packaging business alongside their product offerings; it helps them maximize profits in the agriculture industry.

Despite the fact that commercial cattle rearing / livestock farming has been in existence since time immemorial, that does not in any way make the industry to be over saturated; commercial cattle farmers are exploring new technology to continue to improve cattle rearing processes and also meat and milk preservation and packaging process.

The fact that there is always a ready market for cattle (cows, oxen, bulls, bullocks, steers, heifers and calf et al) makes the business ever green. As a matter of fact, one of the new trends in livestock farming industry is that with the recent advancement in technology livestock farmers can now improve the various breeds of the animals they are breeding.

As a matter of fact, it is now easier for livestock farmers to comfortably import the kind of breed of domestic animal they want to breed from any country of their choice and also advancement in technology has made it easier to cross – breed different animal.

### **Our Target Market**

Naturally, the target market of those who are the end consumer of livestock farm produce and also those who benefits from the business value chain of the agriculture industry is all encompassing; it is far – reaching.

Every household consumes produce from livestock farms be it meat, milk, and the skin (leather) used for bags, belts and shoes production et al. So also a large chunk of manufacturing companies depends on livestock farms for some of their raw materials. In essence a cattle farmer should be able to sell his or her farm produce to as many people as possible.

We will ensure that we position our business to attract consumers of agriculture produce not just in Nigeria alone but also other parts of the world which is why we will be exporting some of our farm produce either in raw form or processed form to other countries of the world.

### **Our Competitive Advantage**

It is easier to find entrepreneur flocking towards an industry that is known to generate consistent income which is why there are more cattle ranches in Nigeria and of course in most parts of the world.

For example, Statistics has it that there were 1.6 million farms in Nigeria, covering an area of 922 million acres. These goes to show that there are appreciable numbers of farmers in Nigeria but that does not mean that there is stiffer competition in the industry.

As a matter of fact, entrepreneurs are encouraged by the government to embrace commercial farming / livestock farming. This is so because part of the success of any nation is her ability to cultivate her own food and also export foods to other nations of the world.

Coco Livestock's Investment Company, CLC is fully aware that there are competitions when it comes to selling livestock and meats all over the globe, which is why we decided to carry out thorough research so as to know how to take advantage of the available market in Nigeria and in other parts of the world.

We have done our homework and we have been able to highlight some factors that will give us competitive advantage in the marketplace; some of the factors are effective and reliable livestock farming processes that can help us sell our livestock and processed meat and milk at competitive prices, good network and excellent relationship management.

Another competitive advantage that we are bringing to the industry is the fact that we have designed our business in such a way that we will operate an all – round standard commercial livestock farms that will be involved in diverse areas such as animal rearing and meat and milk

processing and packaging plant. With this, we will be able to take advantage of all the available opportunities within the industry.

Lastly, our employees will be well taken care of, and their welfare package will be amongst the best in the industry meaning that they will be more than willing to build the business with us and help deliver our set goals and achieve all our objectives as a standard commercial cattle rearing business with a meat and milk processing and packaging plant.

## **SALES AND MARKETING STRATEGY**

We are quite aware that the reason why some commercial livestock farms hardly make good profits is their inability to sell off their livestock to a larger market. In view of that, we decided to set up a standard meat and milk processing and packing plant to help us maximize profits.

Over and above, we have perfected our sale and marketing strategies first by networking with agriculture merchants and companies that rely on raw materials from the livestock farming industry who are likely to refer become our customers.

In summary, Coco Livestock's Investment Company CLC will adopt the following strategies in marketing our cattle rearing 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 et al.

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 et al

Leverage on the internet to promote our business

Engage in direct marketing

Encourage the use of word of mouth marketing (referrals)

## **SOURCES OF INCOME**

Coco Livestock's Investment Company, CLC is in the livestock breeding industry for the purpose of maximizing profits hence we have decided to explore all the available opportunities within the industry to achieve our corporate goals and objectives.

In essence we are not going to rely only on the sale of our livestock to generate income for the business.

Sale and export of cotton wool and other dairy products

Sale of Cattle(cows, oxen, bulls, bullocks, steers, heifers and calf et al) and milk

Sale of processed meat (beef) / can – beef (Processed Dairy foods, and can beef et al)

Boarding services

Breeding services

Dairy support services

Livestock health services

Farrier services

Shearing services

Livestock farming related consultancy and advisory services

## **SALES FORECAST**

From the survey conducted, we were able to discover that the sales generated by a commercial livestock farm / cattle rearing business depends on the size of the ranch, the network of the business.

We have perfected our sales and marketing strategies and we are set to hit the ground running and we are quite optimistic that we will meet or even surpass our set sales target of generating enough income / profits from the year of operations and build the business from survival to sustainability.

We have been able to critically examine the cattle rearing industry cum commercial livestock farm business and we have analyzed our chances in the industry and we have been able to come up with the following sales forecast.

The sales projection is based on information gathered on the field and some workable assumptions as well with respect to the nature of cattle rearing business that we run. Below are the projections that we were able to come up with for the first three years of running Coco Livestock's Investment Company, CLC

First Fiscal Year-: 18,000,000 naira



Second Fiscal Year-: 27.000,000naira

Third Fiscal Year-: 40.000.000naira

N.B: This projection is done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown that can impact negatively on household spending, bad weather cum natural disasters (draughts, epidemics), and unfavorable government policies.

## **OUR PRICING STRATEGY**

Some of the factors that will help you sell your farm produce at the right price that will guarantee that you make profits is dependent on your strategy while some of the factors are beyond your control. For example, if the climatic condition is unfavorable and if there is natural disaster in the location where you have your commercial livestock farm, then it will directly affect the prices of your livestock.

Over and above, if you want to get the right pricing for your livestock, then you should ensure that you choose a good location for your cattle ranch, choose a good breed that will guarantee steady and multiple breeding (prolific breeds), cut the cost of running your farm to the barest minimum and of course try as much as possible to attract buyers to your farm as against taking your livestock or even your produce to the market to source for buyers; with this, you would have successfully eliminate the cost of transporting the goods to the market and other logistics.

We are quite aware that one of the easiest means of penetrating the market and acquiring loads of customers for all our cattle rearing produce is to sell them at competitive prices hence we will do

all we can to ensure that the prices of our livestock and processed and packaged beef and milk are going to be what other commercial livestock farmers would look towards beating.

One thing is certain; the nature of cattle rearing business we are involved in makes it possible for farmers to place prices for their livestock / farm products based on their discretion without following the benchmark in the industry. The truth is that it is one of the means of avoiding running into loss. The easier you sell off your livestock when they are mature the better for your business.

## **FINANCIAL PROJECTIONS AND COSTING**

When it comes to calculating the cost of starting a cattle rearing business / commercial livestock farm, there are some key factors that should serve as a guide. The most important expenses is the construction of the cattle ranch / cages / fencing as the case may be.

For example, the start – up cost for a fish farm is different from the start – up cost for mechanized crop farming, so also the start – up cost for poultry farming is different from the start – up cost of cattle ranch (dairy farm) et al. As a matter of fact, if you choose to start a mechanized crop farming, then you should be willing to raise huge capital base to start the business.

This is so because some cultivation machines / equipment can be pretty expensive. Below are some of the basic areas we will spend our start – up capital in setting up our cattle rearing business / cattle ranch;

The Total Fee for incorporating the Business in nigeria – 3,000,000naira

The budget for key insurance policies, permits and business license – 2,000,000

The amount needed to acquire / lease a farm land – 1,500,000

The amount required for preparing the farm land (for construction of cattle ranch and cages / fencing et al et al) – 6,000,000naira

The cost for acquiring the required working tools and equipment / machines / fencing et al– 2,900,000

The amount required for purchase of the first set of cattle (cows, oxen, bulls, bullocks, steers, heifers and calf et al) – 3,000,000naira

The Cost of Launching an official Website – 20,000naira

The amount required for payment of workers for a period of 3 months – 1,000,000naira

Going by the report from detailed research and feasibility studies conducted, we will need an average of 15,000,000 to start a standard cattle rearing / commercial livestock farming business in Nigerian

## **GENERATING FUNDING / STARTUP COCO LIVESTOCK'S INVESTMENT COMPANY, CLC**

No matter how fantastic your business idea might be, if you don't have the required money to finance the business, the business might not become a reality. Finance is a very important factor when it comes to starting a business such as cattle rearing. No doubt raising start – up capital for a business might not come cheap, but it is a task that an entrepreneur must go through.

Coco livestock's Investment Company ,CLC is a family owned business and it will be financed by the owners of the cattle ranch –Coco and Family.

Generate part of the start – up capital from personal savings and sale of his stocks

Generate part of the start – up capital from friends and other extended family members

Generate a larger chunk of the startup capital from the bank (loan facility).

N.B: We have been able to generate about 10,000,000naira(Personal savings 8,000,000 and soft loan from family members 2,000,000) and we are at the final stages of obtaining a loan facility of 10,000,000naira from our bank. All the papers and document has been duly signed and submitted, the loan has been approved and any moment from now our account will be credited.

## **CONCLUSSION & BUSINESS GROWTH: SUSTAINABILITY AND EXPANSION STRATEGY**

The future of a business lies in the numbers of loyal customers that they have the capacity and competence of the employees, their investment strategy and the business structure. If all of these factors are missing from a business (company), then it won't be too long before the business close shop.

One of our major goals of starting Coco Livestock's Investment Company , CLC is to build a business that will survive off its own cash flow without the need for injecting finance from external sources once the business is officially running.

We know that one of the ways of gaining approval and winning customers over is to sell our farm produce (livestock and processed beef and milk) a little bit cheaper than what is obtainable in the market and we are well prepared to survive on lower profit margin for a while.

Coco Livestock's Investment Company, LLC will make sure that the right foundation, structures and processes are put in place to ensure that our staff welfare are well taken of. Our organization's corporate culture is designed to drive our business to greater heights and training and re – training of our workforce is at the top burner of our business strategy.

As a matter of fact, profit-sharing arrangement will be made available to all our management staff and it will be based on their performance for a period of five years or more as determined by the management of the organization. We know that if that is put in place, we will be able to successfully hire and retain the best hands we can get in the industry; they will be more committed to help us build the business of our dreams.