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**Why Start a Dairy Farming Business?**

We all take in dairy foods on a regular basis; in fact there isn’t any home that doesn’t consume dairy foods. This primarily is one of the reasons why those who have built a business around the dairy industry are making a great deal of income on a daily basis. One of the businesses that revolved around the diary trade is starting a dairy farm.

It pays that one does all that needs to be done in order to start with the right footing. one can undertake a thorough and exhaustive research. Thereafter think towards getting a first-hand knowledge of the industry by sitting under the tutelage of someone who has a first-hand experience and dealing with the trade. But before that one needs a business plan.

**Industry Overview**

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

Companies in the dairy farms industry primarily raise cattle for milk. Although this industry basically engages in the sale of raw milk and excludes the production of drinkable fluid milk and processed dairy products like butter, cheese and powdered milk, some dairy farms can still go ahead to accommodate other related business within the industry as long as they have the capacity to do so.

In recent time, the price of raw milk has been highly volatile, resulting to fluctuations in revenue for the Dairy Farms industry. For example, in 2011, the price of milk bounced back from the recession and pushed up by increasing global demand, resulting to appreciable growth in revenue generation. It was projected that in 2016, an oversupply of dairy products is expected to cause revenue to deep further in the industry.

Dairy farms business is all about mass – breeding of cattle (cows, oxen, bulls, bullocks, steers, heifers and calf) for the sole aim of generating raw milk in commercial quantities and of cause making profits.

Just like any other business, if you are able to conduct your market research and feasibility studies before launching your dairy farms, you are more likely not going to struggle to sell your raw milk and other dairy products because there are loads of people out there we eat beef, drink milk and industries that make use of by-products from cattle in manufacturing their products.

Lastly, there are few barriers to entry into the dairy farms industry. Usually, all inputs are readily available. In the nearest future, players in this industry may face the highest costs associated with accessing technology, especially in relation to genetic modification engineering in livestock breeding.

Executive Summary

Anierobi’s Dairy Farms, LLC is a registered and world class dairy farms company that will be based in the outskirt of Lagos, 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 dairy farming business.

Our dairy farms business is going to be standard a one hence will be involved in commercial breeding of cows, oxen, bulls, bullocks, steers, heifers and calf et al for the main aim of producing raw milk in commercial quantities. We will also be involved in boarding services, breeding services, dairy support services, livestock health services, farrier services, and shearing services.

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

Anierobi’s Dairy Farms, LLC is well positioned to become one of the leading brands in the dairy farms industry in the 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 producing raw milk in commercial quantities and conforming to the rules and regulation as required by the regulating bodies in the Nigeria.

At Anierobi’s Dairy Farms, LLC our customer’s best interest will always come first, and everything we do will be guided by our values and professional ethics. We will ensure that we hold ourselves accountable to the highest standards by meeting our client’s needs precisely and completely.

We will cultivate a working environment that provides a human, sustainable approach to earning a living, and living in our world, for our partners, employees and for our clients.

Anierobi’s Dairy Farms, LLC is a private registered dairy farms company that is owned and managed by Uzoamaka Anierobi and immediate family members. The company will be fully and single handily financed by the owner – Uzoamaka Anierobi and her immediate family members at least for a period of time.

Before starting Anierobi’s Dairy Farms, LLC, Uzoamaka Anierobi has worked with some of the leading dairy farms in Nigeria. she has a degree in Agriculture Economics and well over 5 years of experience.

**Our Product Offerings**

Anierobi’s Dairy Farms, LLC is a licensed dairy farms business that is committed to producing raw milk in commercial quantities for both Nigerian market and the global market. We are in the dairy farms industry for the purpose of generating profits and we are going to do all that is permitted by the laws in Nigeria to achieve our business goals.

These are the areas we will concentrate on in our dairy farms business. If need arises, we will definitely add more related animal breeding services to our list;

* Milking dairy cattle
* Dairy support services
* Dairy cattle farming
* Farrier services
* Sale and export of cotton wool and other dairy products
* Sale of Cattle and milk
* Sale of processed meat (beef) / can – beef (Processed Diary foods, and can beef)
* Shearing services

**Our Mission and Vision Statement**

* Our Vision is to become one of the leading dairy farms business brands not just in Lagos, but also in Nigeria.
* Our mission is to sell our raw milk and other dairy farms products in commercial quantities both locally, nationally and internationally.
* We want to build a dairy farms business that can favourably compete with other leading dairy farms brand in Nigeria and in the globe.

**Our Business Structure**

Anierobi’s Dairy Farms, LLC is a dairy farms company that intend starting small in Lagos Nigeria, but hope to grow big in order to compete favourably with leading dairy farms in the industry both in Nigeria and global stage.

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 Nigeria.

At Anierobi’s Dairy Farms, LLC, 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 dairy farms. In view of the above, we have decided to hire qualified and competent hands to occupy the following positions. Below is the business structure of Anierobi’s Dairy Farms, LLC;

* Chief Operating Officer
* General Dairy Farm Manager
* Accountant
* Sales and Marketing Executive
* Field workers
* Front Desk Officer

**Roles and Responsibilities**

**Chief Operating Officer:**

* Increases management’s effectiveness by recruiting, selecting, orienting, training, coaching, counselling, 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.
* Responsible for signing checks and documents on behalf of the company
* Evaluates the success of the organization

**General Dairy Farm Manager**

* Responsible for the planning, management and coordinating all farm activities across the various sections on behalf of the organization
* Supervise 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
* Uses IT systems and software to keep track of people and progress of the growth of cattle
* Responsible for overseeing the accounting, costing and sale of raw milk and other dairy products
* Represent the organization’s interest at various stakeholders’ meetings
* Ensures that dairy farm goals desired result is achieved, the most efficient resources (manpower, equipment, tools and chemicals et al) are utilized and different interests involved are satisfied. Responsible for preparing financial reports, budgets, and financial statements for the organization
* Oversee the smooth running of the daily farming activities across the various farming sections.

**Accountant**

* Responsible for overseeing the smooth running of HR and administrative tasks for the organization
* Defines 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
* Handles all financial transactions for the farms
* Serves as internal auditor for the farms

**Sales and Marketing Officer**

* Identifies, prioritizes, and reaches out to new partners, and business opportunities
* Identifies development opportunities; follows up on development leads and contacts; participates in the structuring and financing of new business
* Writes winning proposal documents, negotiate fees and rates in line with company policy
* Responsible for handling business research, marker 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**

* Responsible for milking cattle as instructed by the general dairy farm’s manager
* Responsible for feeding cattle and other livestock as instructed by the supervisor
* Responsible for cleaning the cattle ranch
* Handles farm implements and machines as instructed by the section manager / supervisor
* Assist 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 dairy farm and back to the designated store room
* Handles any other duties as assigned by the dairy farm manager

**Client Service Executive**

* 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 centre, 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
* 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
* Distributes mails in the organization
* Handles any other duties as assigned the line manager

SWOT Analysis

Anierobi’s Dairy Farms, LLC do not intend to launch out a business on a trial and error platform 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 dairy farms business that will favourably compete with leading dairy farms in Nigeria and in the rest part of the world.

As a standard dairy farms 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 Anierobi’s Dairy Farms, LLC;

* **Strength:**

Our strength as cattle rearing business is the fact that we have healthy relationships with loads of major players (agriculture merchants) in the dairy farms industry; both suppliers and buyers of raw milk in commercial quantity within and outside 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) in commercial quantities with less stress. Aside from our network and equipment, we can confidently boast that we have some of the most experienced hands in the dairy farms industry under our payroll.

* **Weakness:**

Our weakness could be that we are a new dairy farms business in Nigeria and we may not have the required cash to pump into the publicity of our business.

* **Opportunities:**

The opportunities that are available to us cannot be quantified. The fact that almost everybody in the world drinks milk and dairy farms products makes the business highly marketable.

* **Threat:**

Some of the threats and challenges that we are likely going to face when we start our own dairy farms are global economic downturn that can impact negatively on household spending, bad weather cum natural disasters (draughts, epidemics), unfavourable government policies and the arrival of a competitor (a dairy farm or even cattle rearing farm that are also into production of raw milk) within same location.

MARKET ANALYSIS

* **Market Trends**

A close study of the dairy farming industry shows that most dairy farms that has the capacity do not just concentrate in the commercial production of raw milk for households and businesses that are involved in the production of fluid milk products, cheese, dry, condensed and evaporated milk, creamery butter and yogurt.

They go as far as establishing a standard milk and beef processing company in line with their core business. It is a means of maximizing profits and increasing source of revenue generation.

Lastly, one of the notable trends in dairy farms industry is that with the recent advancement in technology dairy farmers can now improve the various breeds of the animals they are breeding so as to increase the quantity of milk they produce per time.

As a matter of fact, it is now easier for dairy 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**

The target market of those who are the end consumer of dairy farms 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.

So also, a large chunk of manufacturing companies depends on dairy farms for some of their raw materials. In essence a dairy farmer should be able to sell his or her raw milk and other dairy products to as many people as possible.

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

**Our Competitive Advantage**

Entrepreneurs are encouraged by the government to embrace commercial 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.

Anierobi’s Dairy Farms, LLC is fully aware that there are competitions when it comes to selling raw milk and other dairy products all over the globe, which is why we decided to carry out thorough market research and feasibility studies so as to know how to take advantage of the available market in Nigeria and in other parts of the world.

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 dairy farming processes that can help us sell our raw milk and other dairy products 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 dairy 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, all our employees will be well taken care of, and their welfare package will be among the best within our category in the industry. It will enable them to be more than willing to build the business with us and help deliver our set goals and achieve all our business aims and objectives.

**SALES AND MARKETING STRATEGY**

It is a known fact that the reason why some dairy farms hardly make good profits is their inability to sell off their raw milk and other dairy products 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.

We have perfected our sale and marketing strategies first by networking with agriculture merchants and companies that rely on raw materials from the dairy farms industry who are likely to refer become our customers. In summary, Anierobi’s Dairy Farms, LLC 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 dairy farms industry for their raw materials, hotels and restaurants and agriculture produce merchant.
* Advertise our business in agro – allied and food related magazines and websites
* 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 referrals.

**Sources of Income**

Anierobi’s Dairy Farms, LLC is in the dairy farms 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 raw milk and other dairy products to generate income for the business. Below are the sources we intend exploring to generate income for Anierobi’s Dairy Farms, LLC;

* Milking dairy cattle
* Dairy support services
* Dairy cattle farming
* Farrier services
* Sale and export of cotton wool and other dairy products
* Sale of Cattle and milk
* Sale of processed meat (beef)
* Shearing services
* Dairy farming related consultancy and advisory services

**Sales Forecast**

From the survey conducted, we were able to discover that the sales generated by a dairy farm depends on the size and capacity of the dairy farms and of course 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 dairy farms industry and we have analysed 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 dairy farms business that we run.

Below are the projections that we were able to come up with for the first three years of running Anierobi’s Dairy Farms, LLC;

* **First Fiscal Year-:**  ₦**500,000,000**
* **Second Fiscal Year-:** ₦**725,000,000**
* **Third Fiscal Year-:**  ₦**900,000,000**

**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 unfavourable government policies.

* **Our Pricing Strategy**

We are fully aware that some of the key factors that will help us sell our raw milk and other dairy farm products at the right price that will guarantee that us making profits is dependent on our strategy while some of the factors are beyond our control.

For example, if the climatic condition is unfavourable and if there is natural disaster in the location where we have our dairy farm, then it will directly affect the prices of our raw milk and other dairy farm products.

If we want to get the right pricing structure for our raw milk and other dairy products, then we must ensure that we choose a good location for our dairy farms, choose a good breed that will guarantee steady and multiple breeding, cut the cost of running our farm to the barest minimum

And of course try as much as possible to attract buyer to our farm as against taking our raw milk and other dairy products to the market to source for buyers; with this, we would have successfully eliminate the cost of transporting the goods to the market and other logistics that can impact on our operational cost.

We are quite aware that one of the easiest means of penetrating the market and acquiring loads of customers for all our raw milk and other dairy products is to sell them at competitive prices hence we will do all we can to ensure that the prices of our produce are going to be what other dairy farms and even commercial livestock farmers who are into the sale of raw milk would look towards beating.

One thing is certain, the nature of dairy farms business we are involved in makes it possible for farmers to place prices for their raw milk and other dairy products based on their discretion without following the benchmark in the industry. it is one of the means of avoiding running into loss. The easier you sell off your raw milk and other dairy products the better for your business.

* **Payment Options**

The payment policy adopted by Anierobi’s Dairy Farms, LLC is all inclusive because we are quite aware that different customers prefer different payment options as it suits them but at the same time, we will ensure that we abide by the financial rules and regulation of Nigeria.

Here are the payment options that Anierobi’s Dairy Farms, LLC will make available to her clients;

* Payment via bank transfer
* Payment with cash
* Payment via online bank transfer
* Payment via check
* Payment via bank draft
* Payment via mobile money

In view of the above, we have chosen banking platforms that will enable our client make payment for farm produces purchase without any stress on their part. Our bank account numbers will be made available on our website and promotional materials to clients who may want to deposit cash or make online transfer for our raw milk and other dairy products.

**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.

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 dairy farms 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 to promote our business
* Install our Bill Boards on strategic locations all around Lagos
* Distribute our fliers and handbills in target areas
* Contact corporate organizations and residence in our target areas by calling them up and informing them of Anierobi’s Dairy Farms, LLC and the dairy farm produce we sell
* List our dairy farms in local directories
* Advertise our dairy farms in our official website and employ strategies that will help us pull traffic to the site.
* Ensure that all our staff members wear our branded shirts and all our vehicles and trucks are well branded with our company logo.

**Financial Projections and Costing**

When it comes to calculating the cost of starting a dairy farm, there are some key factors that should serve as a guide. The capacity of the raw milk to be produced per time and other related dairy products will determines the total cost of setting up the business.

In setting up any business, the amount or cost will depend on the approach and scale you want to undertake. If you intend to go big by renting a big facility, then you would need a good amount of capital as you would need to ensure that your employees are well taken care of, and that your facility is conducive enough for workers to be creative and productive.

This means that the start-up can either be low or high depending on your goals, vision and aspirations for your business. The tools and equipment that will be used are nearly the same cost everywhere, and any difference in prices would be minimal and can be overlooked.

As for the detailed cost analysis for starting a dairy farms business; it might differ in other countries due to the value of their money. Below are some of the basic areas we will spend our start – up capital in setting up our dairy farms;

* The Total Fee for incorporating the dairy farm in Nigeria – ₦ **292,500**
* The amount needed to acquire a 1dairy farm land – ₦ **19,500,000**
* The amount required for preparing the farm land (dairy farm) – ₦**19,000,000**
* Legal expenses for obtaining licenses and permits as well as the accounting services (software, P.O.S machines and other software) – ₦ **1,000,000.**
* Marketing promotion expenses for the grand opening of Anierobi’s Dairy Farms, LLC in the amount of- ₦ **1,500,000** and as well as flyer printing (2,000 flyers at ₦20 per copy) for the total amount of -₦**500,000.**
* The total cost for hiring Business Consultant – ₦**9,000,000.**
* The total cost for payment of insurance policy covers (general liability, workers’ compensation and property casualty) – ₦**3,000,000.**
* The amount required for the purchase of the first set of cattle – ₦**3,000,000.**
* The cost for acquiring the required working tools and equipment and milking machines – ₦**19,000,000.**
* Operational cost for the first 3 months (salaries of employees, payments of bills) – ₦**22,000,000**
* The Cost of Launching an official Website – ₦**300,000**
* Additional Expenditure (Business cards, Signage, Adverts and Promotions et al) – ₦**700,000.**

Going by the report from detailed research and studies conducted, we will need an average of ₦**190,000,000** to start a standard dairy farms business in the.

**Start-up Capital for Anierobi’s Dairy Farms, LLC**

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 commercial poultry farming.

No doubt raising start – up capital for a business might not come cheap, but it is a task that an entrepreneur must go through. Anierobi’s Dairy Farms, LLC is a family business that is solely owned and financed by Uzoamaka Anierobi and her immediate family members.

They do not intend to welcome any external business partners, which is why she has decided to restrict the sourcing of the start – up capital to 3 major sources. These are the areas we intend generating our start – up capital;

* Generate part of the start – up capital from personal savings
* Source for soft loans from family members and friends
* Apply for loan from my Bank

**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 Anierobi’s Dairy Farms, LLC 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, ways of gaining approval and winning customers over is to sell our raw milk and other dairy products 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.

Anierobi’s Dairy Farms, 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 company’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.

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 six years or more. 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.