

Executive Summary/ Project Description

This business plan examines the feasibility of and indeed economic viability of the development of a 400hectares poultry farm and the establishment of a chicken feed and fertilizer plant in Uyo Akwa-Ibom by Etalgate project ltd. The farm will produce about 1,000 crates of eggs and 100 bags of fertilizer in a production cycle. The poultry farm and fertilizer plant will process about1,000 crates of eggs ,100 bags of fertilizer and livestock chicken for public consumption and fertilizer for farm usage . There is high domestic demand for these products because of our huge population and production constraints leading to shortage of the commodity. Production is currently popular in the North Central and North West with Benue State and Kaduna as the lead producers. Nigeria imports significant quantity of soya beans and its derivatives to augment domestic shortages.

The proposed project will create economic opportunities, impact positively on the people and help conserve scarce foreign exchange. The entire soya to be processed will be sourced locally through direct production, contract farming in Akwa-ibom State and direct purchase from smallholder farmers in other production areas. The project will create market access, improve income of farmers and contribute significantly to food security. It will also generate satisfactory returns for sponsors and investors.

Sponsorship

The project is sponsored by Engr Edem Etok , an Engineer and chief executive officer of Etal Group of Companies . The company has a Department of Agriculture and experts with many years of experience in the project being proposed. Agro ventures Agribusiness Ventures & Consultancy will be responsible for the management consultancy of the projects.

Management

The management will comprise of a democratically elected Board of Directors at the apex of the organization structure. This will be made up of shareholders and member of the cooperative who have stake in the survival, growth and profitability of the business as well as distinguished agribusiness professionals of proven integrity and vast experience in the project area. The prime objective of the board will be to give strategic directions and policies that will ensure long term

success of the organization. The board will ensure that the organization complied with all standards set by regulatory authorities.

The Managing Director/President shall be responsible for the co-ordination of the day to day management of the cooperative business. He is accountable to the Board of Directors; he will mobilize organization resources to achieve set goals. He will manage business risks and focus on wealth creation.

Market and Sales

Market orientation: domestic; South West & South East, Nigeria

Market Share: 5% niche market in South West, South East Nigeria

Competition analysis

Benue State alone produced 44% of national output between 1999 and 2017. Kaduna State followed with 27% of national output within the period. Taraba, Plateau, Kano, Niger and Katsina produced 6% and below in the period. The seven states mentioned above produced 94% of national output within the period. The only places where significant production took place in South West, Nigeria was in Saki West L.G.A. in Oyo State and Akure North L.G.A. in Ondo State. Based on this above analysis, competition in terms of production in South West, Nigeria is non-existent. Compare to the demand for produce.

Tariff and Import Restriction

Forex restriction on food importation and zero duty on imported agricultural equipment will favour the project under consideration.

Market Potential

With a population of over 140 million people and an estimated national population growth rate of 5.7% per annum and an average economic growth rate of 3.5% per annum in the past five (5) years, Nigeria has a large market for poultry products. Again, in spite of the achievement recorded in this industry, the poultry farm products fall short of its aim of

self-sufficiency in animal protein consumption in the Nigeria, that is put at 5gm/caput per day which is a far cry from F. A. O. recommended level of 35gm/caput per day.

The short gestation period of poultry business if proper management procedure is followed is one of the attractive aspects of the project. Poultry are kept mainly as a source of meat and egg. Chicken is one of the popular meats being classified under white meat having low cholesterol and superior to red meat health wise. Eggs have both domestic and industrial use and are produced by layers.

The rising middle class in Nigeria has continued to ensure the market for these products. Hence the profitability of this business is enormous if the proper management strategies are followed. A complete analysis of this poultry farm business opportunity is captured in this poultry farm business plan.

Profitability

Weather, biological, chemical, physical and environmental factors such as temperature, sunlight, water, air, soil conditions, varieties of seed, pests, diseases, price fluctuations and other risks e.g. cow invading the farm could affect yield and profitability. However, technical, scientific and financial based solutions will be employed to hedge against risks and safeguard profit. Irrigation option will be factored in to ensure two cycle of production in a year.

Technical Feasibility

Land: This is one of the most important assets in poultry farming business. This's where you build your pen. It's advised you look for piece of land far from residential quarters for human health reasons. The environmentalist will not let you be if you re closer to residential area.

Ensure land topography is flat and the soil is not too muddy or rocky. When building poultry pen, make sure you consult seasoned specialist. A single mistake in poultry housing design can destroy your investment.

Poultry Housing: There re different designs available depending on the type of poultry production you re interested in. Poultry pen should be constructed along the East-West horizon. This will ensure that pen house does not suffer long duration of high temperature during the day.

In this connection, the design of poultry house is very important to the survival of your stock. Correct stocking density in battery cage and deep litter system is important as this prevent overcrowding which can lead to tramping, increased competition for food and water, suffocation, pecking and rapid spread of disease.

Brooding: Brooding is the business. Even though it is safe to start with some weeks old broiler birds and point of lay as a newbie, it is better to learn how to brood yourself.

Feeds: Cost of poultry feeding carries major share of your total cost of production. Before you dive into this investment, it is good that you calculate and project the funds needed to feed your birds till when they are ready for the market. For instance at adult stage, 250-300 birds will finish one 25kg bag of feed daily. This gives you approximately what one bird consumes per day. Formulation of poultry feed can be helpful. If you produce own feed, product cost of production will be lower.

Tools: It is important that you get adequate number of drinkers and feeders for birds. The height of these containers must not pose stress to them. Poultry tool include; Housing, cages, Incubator, Feeder, Water Pot, Heater, Laying Nests, Egg Handling Nest, etc. Ensure you budget for all.

(3) HEALTH TECHNIQUES:

Consider the influence of the following in the entire business and take adequate measure to control them.

- In battery cage system, make sure you examine nipples routinely. That's to ensure none is blocked, clean feeder trays and drinker pipers regularly.
- Observe your birds frequently for any diseases signs. Check them for lack of appetite, clustering, weight loss, discharges from eyes, beaks and nose, faeces-pasted vent, change in consistency and colour of faeces, gaping, difficulty in breathing, reduction in egg production, swollen or discoloured comb and wattles etc.
- Maintaining strict biosecurity and hygiene on your poultry farm will go a long way in protecting your birds against infection.

- Provide foot dip and limit visitors to your farm. Make sure farm hands and equipment are not rotated carelessly among your pen. Spray tires of vehicles coming into your farm.
- Ensure prompt removal of poultry dung as this can serve as source of bacterial growth and ammonia gas generation on your poultry farm.

DISEASES AND CONTROL:

Vaccination is very vital. It should be given as at when due to protect your flock against endemic diseases. Measures include Newcastle Disease Vaccine, Gomboro Disease Vaccine, Marek Disease Vaccine, EDS Vaccine. Buy vaccines only from reputable outlets to be sure that cold chain is preserved.

(4) MARKETING:

- You need to put in place effective marketing strategy. Success in poultry farming business may depend on marketing strategy adopted for farm. Many poultry farmers in Nigeria lose millions during egg glut when they can't get market for eggs.
- Extensive market survey will influence how large you want to produce. This will enable you sell off poultry birds and products. Ensure you grow a huge list of middlemen who will help distribute your produce in case one disappoints.
- Source for outlets for your broiler birds such as eateries before you commence production at all. The profitability of broiler production in Nigeria is undeniable. If you're going into layers production, take your time to conduct intensive feasibility study on poultry egg production business in Nigeria.

Government Support and Regulation

The project conforms with the economic diversification objective of the government. It also supports foreign exchange and import reduction conservation of government. It creates economic opportunities, market access, improved income for farmers and support food security objective of government. The project will benefit from government intervention fund in the agriculture sector. The project will also benefit from the favourable policy of zero duty for agricultural and equipment import. Restriction of forex for all food products will also widen market opportunity.

The project will contribute significantly to employment, output increase, stable price and stable exchange rate.

Project Timeline

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 sales of egg and sales of broiler birds.

For egg production, birds usually starts to lay at 18-22 weeks of age and continue to lay for Twelve months (52weeks) on average laying fewer egg as the new mounting period. The typical production cycle last about 17 months (72 weeks) and involves three distinct phases as follows:

PHASE 1: Pullets or broilers: This phase last from 0 – 8 weeks during which small chicks (pullets) are kept separately from broilers.

PHASE 2 (GROWERS): This period concerned is between 8 – 21 weeks of age. Growers are the future laying birds and the way they grow up will largely determine how well they do in the laying house. Therefore management during the growing period is very important.

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 are sold at the end of a laying period of normal length or are force mounted Housing time starts with the beginning of the laying period. The number of birds housed is the number of pullet in the laying house when egg production starts.

7.0 Estimated Project Costs and Revenue

Fixed Cost

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|----------------|------------|-------------------|
| Layers | N6,162,000 | |
| <hr/> Broilers | | N1,710,000 |
| <hr/> | | N7,872,000 |

CAPITAL EXPENSES

| | | |
|----------------------------|----------|-------------------|
| 2 plots of land @ N150,000 | N300,000 | |
| Block 2000 pcs @ 110 | N220,000 | |
| Cement 60 bags @ N1800 | N108,000 | |
| Cement Carriage | N3,000 | |
| Woods | N151,700 | |
| Roofing Sheets | N126,000 | |
| Roofing Slate | N25,000 | |
| Ceiling Slate | N15,000 | |
| Reggie's | N7,500 | |
| Nails | N12,000 | |
| Net 15 bundles @ N4000 | N60,000 | |
| Iron door | N43,000 | |
| <hr/> | | N1,071,200 |

SANDS

| | | |
|------------------------------|---------|--|
| Stone Big 2 tipper @ N25,000 | N50,000 | |
|------------------------------|---------|--|

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| Sharp sand (Mayans) | N20,000 | |
| <hr/> | Soft Sand | N22,000 |

N92,000

TOOLS

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|------------------------------|---------|
| Day old feeders 30pcs @ N120 | N3,600 |
| Day old Drinker 15pcs @ N200 | N3,000 |
| Feeders 60pcs @ N550 | N33,000 |
| Drinkers 12pcs @ N2500 | N30,000 |
| Shovel & Head pan | N2,000 |
| Thermometer (Digital) | N8,000 |
| Scale (Digital) | N10,000 |
| Geepee Tank 1500litres | N23,000 |
| Geepee Tank 500 litres | N14,000 |
| Nylon 7 pcs @ N700 | N4,900 |

WORKMANSHIP

| | |
|------------|---------|
| Carpenter | N65,000 |
| Bricklayer | N80,000 |

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|-------|---------------|----------|
| <hr/> | Miscellaneous | N130,000 |
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N275,000

Business Registration N20,000

PRODUCTION

1000 pullets @ 140 N140,000

_____400 broilers @ 130 N52,000

N192,000

OPERATIONAL EXPENSES

Feeds, Vaccines & upkeeps N1,330,000

_____Salaries and stationeries N240,000

N1,570,000

SUMMARY

Capital expenses N1,781,700

Operational expenses N1,570,000

_____ **TOTAL EXPENSES N3,351,700**

Funding Mechanism

The government will provide 400Ha of cleared farmland around the university and lease it to members of the cooperative. Equity investor to provide equity for equipment and vehicles purchase

Where possible equity investor to provide equity for working capital or otherwise secure loan at the rate of 9% through government intervention window at the Bank of Agriculture, Bank of Industry and Commercial banks.

Conclusion

The project is technically feasible and commercially viable. It is therefore recommended for funding.