

NAME: ODILI BLOSSOM ONYINYECHI

DEPT: CHEMICAL ENGINEERING

MAT NO: 18/ENG01/014

## BUSINESS PLAN FOR THE DEVELOPMENT OF STEVARON FISH FARM AT TUDUN WADA, KASHERE, AKKO LOCAL GOVERNMENT AREA GOMBE STATE, NIGERIA BY ODILI BLOSSOM

The undersigned reader acknowledges that the information provided in this business plan is a confidential intellectual property; therefore the reader agrees not to disclose it to a third party without the express written permission of the promoters of the proposed business.

It is acknowledged by the reader that information furnished in this business plan is in all respect confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by the reader, may cause serious harm or damage to the promoters of the proposed business.

Upon request, this document is to be immediately returned to the promoters of the proposed business

Signature:

Name:

Date:

### CONTENTS

1. Summary/ Brief Description
2. Sponsorship, Management and Technical Assistance
3. Market and Sales
4. Technical Feasibility, Resources and Environment
5. Government Support and Regulation
6. Timelines of Projects
7. Estimated Project Cost and Revenue
8. Funding Mechanism

## 9. Conclusion

### **Project Description**

Stevaron catfish business will be established to meet the fish demand in the community. It will be located in Tudun Wada, kashere, Akko local government Area of Gombe state. The main economic significant of the business is to contribute towards narrowing down the fish demand-supply gap deficit in Nigeria as well as the supply of proteins and micro nutrients for feeding the teeming population Gombe State, North East and Nigeria at large.

The catfish industry is a lucrative business as the demand for fish in the country is growing geometrically, the opportunity to expand is necessary because of the growing demand for fish and due to some health benefits attached to consumption of fish as compared to consumption of meat. With our dominance, and being the only and pioneering fish farm in this locality, we would flood the whole market with our fish. The business will be a partnership with all partners required to contribute capital according to agreed percentage (40%, 35%, 25%) respectively.

The risk of the business is mainly getting a market and we have already identified our target market. The cost benefit analysis of this plan shows that in the startup year, with 1700 fingerlings in stock and projected sales of 1500 adult fish in one circle which is half a year, we would make N1, 000,000. This implies that about N2,000,000 is realizable annually for two (2) production cycle with a return on investment (ROI) of 100% which indicates that the project is very much feasible, viable and very much profitable and as such worth investing.

### **Sponsorship**

The project is sponsored by Prof Wara Samuel, a multi-millionaire in Gombe state, who has invested in different farming enterprise both within and outside Nigeria.

## **Management**

The business would be managed by Odili Blossom, Adoga Prudence and Matthew Jacob who are all part of the management team. They are all experienced in the field of fish farming and have managed different businesses across the state.

## **Technical Assistance**

The Stevaron catfish business has a relationship with Dickem farms. This farm is the largest fish farm in Nigeria that deals with production of aquaculture products such as fish feed, machines for fish feed production, fish meals, herbal fish supplements, collapsible mobile fish ponds and water purifiers. Stevaron catfish business also has a working relationship BOA (Bank of Agriculture). The bank of agriculture has agreed to finance production of the catfish at a loan of 5% interest rate.

## **Market and Sales**

Market orientation: domestic; All over Nigeria

Market Share: 5% niche market in North East of Nigeria

Users of Products: catfish for human consumption

## **Competition analysis**

Our main competitor in this fish farming business is the importers of frozen fish. From

our analysis, the cost per kilogram of frozen fish, popularly called ice-fish is N750, to achieve this, weighing three units which give a kilogram of and a unit of that size of fish bought for N250. Currently, the catfish is sold to main distributors at N500 per kilogram, and it is retailed at N600 per kilogram, this makes it reasonably cheaper, survey data has shown that the catfish is preferred to the frozen ice-fish in taste and nutritional value. For other competitors in the cat fish market, we have a considerable advantage, being that fish farming is our passion and our farm is situated right within reach and the market premises which makes supervision easier and effective. We the business partners as the sole equity owners and also the ones to provide most of the factors for the production as land the location and climate of the area is very suitable for fish production. The business has relatively low overhead expenses with few staff presently to match current production capacity.

### **Tariff and Import Restriction**

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

### **Market Potential**

There is strong demand for Fish in the South West of Nigeria. The state of infrastructure though not perfect still supports production and trade within Nigeria.

### **Profitability**

Weather, biological, chemical, physical and environmental factors such as temperature, sunlight, water, diseases, g, price fluctuations and other risks .Howevercial based solutions will be employed to hedge against risks and safeguard profit.

### **Technical Feasibility**

In terms of technology, which involve the grinding of fish for the production of fish fillets the industrial processes are simple and a specialist in production of fish fillets with 15years experience is part of our team. The needed equipment for fish grinding are readily available and our experts have hand on experience in the usage and maintenance of the equipment.

### **Government Support and Regulation**

The project conform 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 project will be completed within 6 months preferably between JULY 2020 to DECEMBER 2020.

### **7.0 Estimated Project Costs and Revenue**

#### **START UP COST**

	Acquiring Land
--	----------------

	<p>a. Land (200 X 200) N500,000</p> <p>b. Land Rights (CFO, Others) N70,000</p> <p>c. Excavation and Fencing of Plot N397,000</p> <p>TOTAL N967,000</p>
	<p>POND CONSTRUCTION:</p> <p>a. For startup, the firm would need to construct two (2) concrete ponds, each to carry 850 fishes.</p> <p>Each pond will be constructed: 3m X 2.5m by 1.4m, each pond will require 210 blocks.</p> <p>Hence: 420 blocks @ N63,000</p> <p>b. 1 Trip of Sand N12,000</p> <p>c. ½ Trip of Gravel N15,000</p> <p>d. Cost of Labour N20,000</p> <p>e. Cost of Plumbing (Inlet &amp; Outlet Facilities) N50,000</p> <p>f. Cost of Well Digging (Water Source) N30,000</p>

	<p>g. Cost of pump machine to pump water to Overhead Tank N15,000</p> <p>h. Cost of Pond Treatment N30,000</p> <p>i. Cement (15 Bags) N20,000</p> <p>TOTAL N255,000</p>
	<p>Fingerlings</p> <p>a. Cost of High breed Fingerlings (N40 each X 1700) N68,000</p> <p>b. Cost of Feeds (35 bags X 4000) N140,000</p> <p>TOTAL N 208,000</p>
	<p>Feeding Equipment N80,000</p>
	<p>Harvesting Equipment N 120,000</p>
	<p>Second Hand Car for Delivery N350,000</p>
	<p>Equipment for Maintenance, Monitoring and Repair N 103,000</p>



	Other			Facilities
	N200,000			
	TOTAL	START	UP	COST
	N2,283,000			

**Market Target:**

Weeks	2 Cycles. As it takes	WK 27
Fish	3months to complete	WK52
Supplied to Market	each cycle and our product supplied to the market	
Amount of Fish to be sold per year	1500 Pcs per Cycle	3,000 Pcs
Unit Price	N700	N1000
<b>TOTAL ANNUAL SALES</b>	<b>N1,050,000 Per Cycle (Three Months)</b>	<b>N3,000,000</b>

**Funding Mechanism**

will provide 200Ha of cleared farmland around the university and lease it to members of the cooperative. will also lease 6,000MT capacity silo as equity contribution

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 5% 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.

