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**TASK:** PREPARE A BUSINESS PLAN ON AN AGRICULTURAL ENTERPRISE

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**IDENTIFICATION OF PROJECT**

Whenever I think of starting an agro-based venture I always think about creating a poultry farm. Hence, poultry farming is going to be my case study in this report.

You might ponder saying, “Why is he so fascinated by poultry farming?” .This is because of the popularity of its products in Nigeria in such a way that the financial divide in our country has almost no effects on the demand for poultry products.

This situation can be traced to people looking for a healthier alternative to red meat; and chicken along with fish have been increasingly popular items in household consumption. However, poultry farming has more than one economically viable product. Another is egg and eggs are usually produced in large numbers by layers. Eggs are a cheap source of protein so naturally the demand for them would be high.

However, they are also so attractive to consumers because there are so many ways of cooking eggs. Poultry feathers can also be used to make pillows, curios and other articles. Generally speaking they can be boiled or the yolk in them can be fried. But there are also many of ways of frying eggs. All these along with the compatibility of eggs with many foods and the seemingly religious devotion of Nigerian’s to eating chicken during the festive periods means that there is a very large domestic market.

**PREPARATION**

**REQUIREMENTS**

1. Battery cages
2. Incubators
3. Tractors
4. Agricultural consultants
5. Poultry labourers
6. A supervising farmer
7. A bore hole

**ANALYSIS**

Poultry farming requires less investment than earing other livestock. It

requires only around N51, 000 on fixed capital and rearing of about 100

chickens. This means that small and marginal farmers and even

agricultural labourers can start farming on a small scale. While chicken

will start laying eggs in 8 to 10 weeks, broilers can be sold after 6 weeks by which time they would have grown to 1.25Kg weight.

It gives rapid return on investment. Chicken start laying eggs in 8 to 10 weeks and broilers can be sold for meat between 6 and 10 weeks. The interval between generations is very small and hence, production can be phenomenally increased within a short period. Broilers intake of feed is comparatively very low while it produces maximum amount of food possible for us.

Poultry is capable of utilizing as its feed large quantities of byproducts like bran, substandard grains, vegetables etc. which normally go as waste, thus saving for the farmer a portion of his expenses towards poultry feed.

Poultry farming is a continuous source of income. It is not seasonal (which is essential) and can produce income for the entire year. While chickens lay eggs between 6 to 8 months, broilers take only 6 to 10 weeks to bring in income. Meat, eggs, feather and manure of chicken and broilers are all saleable and income generating. Poultry farming in a small scale requires only minimum space and they can be reared even in the backyards of homes.

Poultry farming requires very little water for both drinking and cleaning. One litre of water is sufficient for 5 birds for a day.

Poultry droppings are rich in nitrogen and organic material and hence are considered as valuable fertilizers. This can be sold to farmers in rural areas who most likely do not have the means to buy fertilizers on a regular basis.

**STEP 2: FEASIBILITY STUDY**

|  |  |  |
| --- | --- | --- |
| Number | Task | Cost(N) |
| 1. | Plot of Land | 100,000 |
| 2. | Clearing of Land | 50,000 |
| 3. | Preparation of bore hole | 175,000 |
| 4. | Monthly Feed | 127,000( layers require 12,5Kg of feed per day= N1575 while chicks require about N80,000 per month) |
| 5. | Komorov vaccination for 6 week old chicks | 750 per 100 birds=N75000 |
| 6. | Fowl pox vaccine for 8 week old chicks | 700 per 100=N70000 |
| 7. | Deworming at 10 weeks | 450 per 100= N45000 |
| 8. | Purchase of 100 one day old chicks | 20,000 |
| 9. | Debeaking at 12 weeks | 20 per bird= N2000 |
| 10 | Purchase of 100 layers | N200,000 |
| 11 | Purchase of battery cage for 150 chickens | N140,000 |
| 12 | Miscellaneous | N1,500,000 |
|  |  |  |

After 21 weeks, 50 of the chicks will start to lay eggs which cost about N41 each. Chickens lay about 6 eggs per week. Our proposed revenue from laying chicks at a month after that time would be N49200. Cost of raising the chicks up till then would be (5.25X 80,000) +70,000+75,000+20,000=N585,000.

From the matured broilers selling all 50, we get 2500X50= N125000.

So after 21 weeks we are at a loss of N410,800 from raising the chicks.

After 21 weeks from the matured layers we would have gotten, 21X6X50X41= N258300 from the sale of eggs

**MANAGEMENT**

The farm is managed by a board of trustees with myself, Hon. Prof. Ewezu Ngim.

**TECH ASSISTANCE**

We get tech assistance from the agricultural consultants we are affiliated with. They don’t demand payment until we gain profits of six-digits thrice in a row. They work for a Federal Government initiative.

**LONG TERM GOAL**

Our long term goal is to become an agro-based research firm

We plan on boosting the productivity of our layers and the size of our broilers by using genetically modified foods. To help us break even quicker

**APPRAISAL**

For a while the poultry farm is going to operate on a loss but a lot of the costly purchased implements are things that would last for a long period of time.

Hence, sooner or later the farm would break even and start to make profits. This is because of the feeding of livestock with G-M foods in particular.

The farm should be sited in an area with cheap land but also with a large market for goods and labour. The advantage of the farm being in an area with a large labour market is that it gives you the power to decide the price of their wages or salary.

It should be located close to a market to enable easy commuting of goods from the farm to its desired destination.

**MARKET ANALYSIS**

Generally, the potential market segments for the poultry farming business are listed below:

Formal market sector

1. Grading and packaging entities
2. Wholesalers
3. Retailers
4. Franchise store
5. Processing entities
6. Export

Informal market sector

1. Hawkers
2. Spazas
3. Spot hen depots

The potential market open to my firm is analyzed as per the following categories:

1. Individual market segment
2. Corporate market segment
3. **INDIVIDUAL MARKET SEGMENT**

The individual consumer market segment primarily covers individual consumers as well as households. This segment is further discussed within the context of demographics, psychographics and behavioural segmentation.

1. **DEMOGRAPHICS:** This discusses about the potential consumers of a product relative to the producers’ location. They desire cheap goods, reliability and easy access to suppliers of poultry
2. **PSYCHOGRAPHIC SEGMENTAION:** Discusses the various lifestyles of consumers. In relation to poultry, their quest for healthy balanced lifestyles and whether they value foods that are tasty and rich in minerals. To satisfy those of this segmentation we could create creative egg dishes and become more than just a poultry farm.
3. **BEHAVIOURAL:** This studies buying patterns of consumers and their different uses of eggs. The benefits sought by these people are health and taste

**CORPORATE SEGMENTATION:** This includes

small, medium and large businesses.

**IMPLEMENTATION**

The farm would be open 7 days a week. There would be shifts throughout the day from 8-3pm, 3-7pm, 7-12pm, 12-4am, 4-8am.

Residential buildings would also be built on the farmland as I want the head to be always nearby. I’ll let my skilled and knowledgeable employees determine the livestock’s feeding schedule.

The farm will implement a semi-intensive mode of operation meaning that at certain times the livestock will be allowed to leave the coop.

For effective marketing a logo would be placed on our crates with the address of the farm. The crates would be creatively designed to assign the feature of uniqueness to our farm.

We will also sell chicken meat in special bags with our logo and address through middlemen as a condition for their patronage.

**EVALUATION**

Attracting a lot of customers and producing at maximum output is key to enable us break even and eventually become profitable.