

NAME: ADEBAYO OMOFOLAHAN IBRAHIM

COURSE: FOOD SECURITY (AFE 202)

COLLEGE: COLLEGE OF ENGINEERING

MATRIC NO: 18/ENG03/003

DEPARTMENT: CIVIL ENGINEERING

Executive Summary/ Project Description

This business plan shows the development plans poultry farm by the Adebayo's farming Inc. The farm will produce over 10,000 eggs per week that is an average of 1450 eggs per day.

Our handpicked business strategies adequately address the issues of quality as it relates to the genetic makeup of different bird species and hatchery technologies to make sure that only the best and finest bird products are out from our farm. It is important to note that we cannot achieve such a feat without highly trained and qualified hands on deck. That is why we will put up laboratories and hatcheries

The proposed project will create economic opportunities, impact positively on the people and help conserve scarce foreign exchange. 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.

Market Analysis

The marketing efforts will focus on identifying and understanding the ever changing needs and preferences of the customers in order to satisfy them. The marketing mix will drive the customer value proposition of the project. The following is an account on the product, promotion, place and packaging that will be applied to the selected market segment. The main products of the project will be the eggs produced by the layer birds. The project will strive to improve the quality of the eggs produced and sold by providing the right nutrition and environment condition for the layers. Other products to be sold by the project will include dressed chicken, live birds and manure resulting from chicken droppings. Manure is a desirable fertilizer that is highly sought after by farmers and flower growers. Additionally, the project will sell layers (cull hens) that become unproductive (around 70 - 110 weeks). Cull hens are considered to be a delicacy for most consumers and as such, the business will be in position to sell these at lucrative prices.

Projected Total Compensation Package per annum.

| Staff | Packages |
|-------------------|----------|
| Manager | 600,000 |
| Marketing Officer | 450,000 |

| | |
|------------|---------|
| Accountant | 300,000 |
| Operators | 450,000 |
| Packers | 50,000 |
| Cleaners | 50,000 |
| Security | 100,000 |

Production Plan

After training, feeding and treating the birds for some weeks, the layers start egg production after 20-21 weeks, which means that we will start the supply and distribution after a few weeks. The broilers however take a lesser period of time to mature, they take 6-8 weeks and they are slaughtered, hung upside for blood drain, then defeathered using hot water. After they are cut open to remove waste products and the internal organs that can cause decay. The legs and head are then cut off and they are packaged, ready for supply and distribution. The live birds however are hatched at the hatchery and are immediately supplied and distributed. With this distribution strategy, we will supply 12,000 packages daily using 4 shifts of 6hrs each with 1hr break.

Risk Accessibility

There is a risk of outbreak of diseases that could adversely affect the products of the project. When poultry is kept intensively, the risk of disease is very high for the mere reason that the birds are too close to each other. If proper vaccination programs are not followed the business could suffer major financial losses. It is important that a proper vaccination program is followed. The vaccination will minimize the threat of diseases. Personnel will ensure that the birds are monitored for diseases and that the chicken housing are kept clean and secure from other event risks.

In terms of the financial risk, this originates from the fact that the owners' contribution is less compared to the funds required from potential investors. Hence, the gearing ratio is therefore not as desirable. To mitigate this risk, the project members shall strive to reinvest at least 60% of the profits into the business so as to improve the gearing ratio. The project will strive for a good return on investment. In the first year of operation, employee costs will be minimized so as to ensure that this risk is minimized. The depreciating rand is also a factor to consider as it also affects prices of procurement such as vaccines, medicines and imported feed supplies. This risk is external and out of the control of the business. factors in the poultry industry.

Current Capital Structure

| | |
|--------------------------|----------------------|
| Shares Authorized | Shares Issued |
|--------------------------|----------------------|

| | |
|----------------------|-------------------|
| 65,000,000 common | 65,500,000 common |
| 20,000,000 preferred | 0 preferred |

Current Shareholders:

| | |
|---------------|----------------|
| MR ADEBAYO | 300,000 shares |
| MRS LATIFAT | 300,000 shares |
| MASTER KOLADE | 300,000 shares |
| MRS UGWE | 300,000 shares |

Working capital

The proceeds from the offer will be used to fund the working capital requirements of the company (and its subsidiary and associated companies, if any).

Acquisition of assets

Land & building, plant & machinery, and other fixed assets will be purchased as and when deemed necessary to maximize the profits of the company

Funds will be used for the purpose of business operations of the company.

The most likely exit afforded investors will be through acquisition. If the company's actual operational and financial results are in any reasonable range of the projected results herein, the company will become an attractive asset to an acquisitive competitor or larger medical device company. No particular competitor or company is thought to be more likely than another to be interested.

Exceptional results would enhance the brand name and financial position, making new product development and the likelihood of new product success more plausible. In this scenario, the opportunity to raise capital and provide an investment exit to

shareholders becomes more likely.

Projected Profit and Loss

Barring any unforeseen circumstances, the poultry farms is anticipated to break-even by Year 3 of operations. Profits for the company in subsequent years will accelerate with the increase in anticipated sales volume.

Funding Mechanism

Mr Adebayo will provide 400Ha of cleared farmland around the university and lease it to members of the cooperative, he 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 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.

