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A BUSINESS PLAN FOR THE UPCOMING POULTRY FARM OF POMPII LIVESTOCK LIMITED

FEASIBILITY STUDY

**Executive summary/ Project Description**

 The feasibility of this business plan seeks to examine the workable possibility of the development of a successful poultry farm consisting of about 500 broilers and700 old layers contributing later to a broad foundation, spreading into the different poultry niches in Onitsha by Pompii livestock limited. This poultry will produce about 2000 eggs and 6000 kilograms of meat and a reasonable amount of poultry feed per production cycle. The company will groom the livestock in the production of eggs and meat, mainly for consumption.

 Since the country where I am agriculture is not really given much attention my mission and vision is to create awareness on the importance of agriculture. The purpose of the plan is to make as much food available and put a stop to importation of this items which can easily be produced here. This is because in my country Nigeria for instance has a population of over 150million and it is still growing, so since there is a huge population it means that there will be a huge demand for food (eggs and meat). Furthermore there is an increased awareness on the health implications of red meat. In this case there will be increased demand for white meat and birds which I will try to make available all the time with the cooperation of my team.

 This proposed project will provide job opportunities and help to reduce food importation i.e. eggs and meat. This program will be sourced through small holder farmers in other production areas. This project will create market access, improve income for farmers, contribute significantly to curb food scarcity in the country and internationally raises the ranking of the country it’s self.

**Sponsorship**

This project is sponsored by Samdanest Nigeria Ltd specializes in Livestock and animal feed production, they equally have a range of products like Eggs, Old layers, Cockerels, Broilers, Breeder Birds, Pigs as well as livestock manure. The company has many years of experience in the proposed project.

**Management**

The management will comprise of elected board of directors at the top of the organization structure. It will be made up of shareholders and members of the cooperative who have interest in the survival, growth and profitability of business. The objective of the board is to give directions and policies that will ensure the long term success of the company. The board also has to make sure that the rules and regulation are adhered to by the company. The Managing director shall be responsible for the co-ordination of the day to day management of the business. He is also accountable to the board of directors; he will make sure that resources are available in order to achieve set goals. He will manage the business risk.

**Technical Assistance**

Samdanest Nigeria Ltd has a relationship with other major poultry farms in the area, which have mandate in poultry farming and will provide technical assistance as such.

Samdanest Nigerian Ltd has agreed to provide little assistance as regards to processing factory.

**Market and Sales**

Market Orientation: Eggs and Meat

Market Share: At least 70% will be for feeding

Uses of products: Eggs and for human consumption, Eggs for bakeries, Eggs for use in emulsifying agents.

**Competition Analysis**

From research it shows that Abia state alone produced 20% of national output between 2000 to 2019. Ekiti produced 10% of national output and Jigawa and nassawara state produced the remaining 4%. Based on analysis Nigeria is non-existent to the demand for the produce.

**Tariff and Import Restriction**

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

**Market Potential**

High population growth and growing income lead to increasing demand for poultry products in Nigeria.

**Profitability**

 When the environment is dirty, diseases and infection is inevitable. Birds like chicken are very sensitive to environmental changes. If the poultry environment is not properly taken care of, the chickens will be exposed to bacterial infection. So as a result it reduce the quality of meat as well reduce on a large scale, much profit won’t be gained. So the environment should be well taken care of.

 And also 70% of expenses would go towards poultry feeding and two ways to go about this feeding is producing your feeds by yourself or buying already made poultry feeds. Going with producing feeds by yourself saves a lot of money on feeding at the same time also gaining profit because you can sell to other farms. Hence scientific, technical and financial based solutions will be employed to wedge against risks and safeguard profit.

**Technical Feasibility**

 The projects for the poultry farm are very feasible. In terms of technology, which involves incubators, they help eggs to hatch faster and lighting system, the industrial processes are simple and a specialist in this area with like 12years of experience is part of the team. The needed equipments are available and the experts have hand on experience in the usage and maintenance of the equipment.

 For the poultry farm production, we have people who manage the different aspects like Egg production, Meat production, Chicken breeding and there is also a poultry marketing consultant as part of our management team. The location of the farm is very suitable for efficient production, processing and marketing; and easily located. The materials would be produced and sourced locally.

 There are major competitors but Samdanest Nigeria Ltd will aim high and penetrate through cooperative societies to make our brands popular. From my research, producing feeds from the farm than buying will give a competitive advantage. The project is been implemented using best international practices, sustainable production and due consideration of the environment.

 The Environmental impact assessment shows no damage to the environment it is very sanitary. The ingredients used for the feeding for the chickens would be properly kept and well after at least three months the equipments would be checked if it is functioning properly to ensure that the production is running smoothly.

**Government Support and Regulation**

 The project follows the objective of the government. It also supports foreign exchange. It creates job opportunities, market access, improved income for the workers and supports the food security objective of government. The project will benefit from government intervention fund in the agricultural sector.

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

**Project Timeline**

The project will be completed in 1years time; it will start during dry season because of land clearing.

**Estimated Project Costs and Revenue**

1. **Land Clearing**

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity** | **Quantity** | **#** | **K** |
| Land clearing | 2 hectare | 1150000 | 00 |
| Rome ploughing | 2 hectare | 55000 | 00 |
| Cross cutting | 2 hectare | 25000 | 00 |
| **Sub total** | 2 hectare | 1230000 | 00 |
| **Total** | **800 Hectare** | **2460000000** | **00** |

1. **Equipment**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name** | **QTY** | **MODEL** | **USD** | **#** | **K** |
| **Feeders** | **20** | **Tray feeders** | **50000** | **1000000** | **00** |
| **Drinkers** | **20** | **nil** | **40000** | **800000** | **00** |
| **perches** | **20** | **ISA/DW** | **20000** | **400000** | **00** |
| **Nests** | **100** | **nil** | **30000** | **3000000** | **00** |
| **Crates** | **1000** | **Rent a coop carrier crate** | **35000** | **35000000** | **00** |
| **Lighting System** | **20** | **LED** | **55000** | **1100000** | **00** |
| **Water disposal system** | **20** | **Coblat-60** | **35000** | **700000** | **00** |
| **Incubator** | **20** | **500 egg solar incubator** | **20000** | **400000** | **00** |
| **Heaters** | **20** | **Cozy CL 200 watts** | **25000** | **500000** | **00** |
| **Egg Washer** | **5** | **Aquamagic model 60 egg cleaner** | **20000** | **100000** | **00** |
| **Egg tray** | **20** | **High quality customized different model plastic** | **15000** | **300000** | **00** |
| **Cages and Coops** | **500** | **Rent a coop carrier crate** | **30000** | **15000000** | **00** |
| **Sub total** |  |  | **375000** | **44800000** | **00** |

1. **Vehicle**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **type** | **QTY** | **MODEL** | **NAIRA** | **KOBO** |
| **Van** | **2** | **hilux** | **30,000,000** | **00** |

1. **Operating Cost**

|  |  |  |
| --- | --- | --- |
| **Working capital** |  |  |
|  | **Naira** | **Kobo** |
| **Mechanization and storage** | **150000000** | **00** |
| **Area yield insurance** | **15000** | **00** |
| **Produce aggregation** | **6000** | **00** |
| **Geo spatial service** | **5000** | **00** |
| **subtotal** | **150026000** | **00** |

**Amortization # K**

|  |  |
| --- | --- |
| **Land clearing amortization( per hectare)** | **30000 : 00** |
| **Land clearing amortization( 800 hectare)** | **24000000: 00** |

**Revenue**

|  |  |
| --- | --- |
| **Yield per hectare ( 2 tonnes @ #150000)** |  |
|  | **# K** |
| **Revenue per hectare** | **400000 :00** |
| **Net revenue for 800Ha ( without amortization)** | **80000000 : 00** |
| **Net revenue with amortization( 800 hectares clearing)** | **72000000 : 00** |
| **Second production cycle** |  |
| **Net revenue** | **55000000 : 00** |
| **Net revenue with amortization( 800hectare)** |  |
| **Annual net revenue**  | **127000000 : 00** |

**FUNDING MECHANISM**

Samdanest Nigeria Ltd will provide 800 hectares of cleared land in Onitsha and lease it to members of the cooperative, and help to secure a loan at the bank of agriculture, bank of industry and commercial bank.

**CONCULSION**

The project is workable and productive.