

NAME; OBUROH OLAKUNLE

MATRIC NUMBER; 18/SMS03/021

COURSE; AFE202

DATE; 27TH APRIL 2020

SUBJECT; BUSINESS PLAN ON FISH FARMING

Fish farming is a lucrative business; it is also simple and can be started with small capital. Anyone with a small space and can find a market within a locality can engage in fish farming. In fact, with as little as \$750 you can start fish farming. In this business plan, we shall discuss how you can successfully set up a fish farming business.

Our business plan on fish farming shall begin with the production of catfish but later, tilapia shall be added. We shall sale fresh initially but later, the introduction of drying and packaging also follow. Our customers shall be an open market, restaurant, and grocery. Over time with reasonable expansion, we shall commence exporting the product when the local market is satisfied. With the support of my husband, the farm belongs to me, My_Business_Name and I would see to the day to day operation of the farm. With God on our side we shall in future so expand the business that our children would look upon it as something that can sustain them after us since fish will always be consumed by man and there is no way everybody would go into fish production.

Fish Farming Startup Expenses

The fish farming project would take approximately N1,500,000.00 (One Million Five Hundred Thousand Naira only) to be deployed as follows: please see VI. Startup Expenses and Capitalization.

If you want to set up a fish farming business with less amount, say, N500,000 or N1,000,000 then you will not include some equipment. The pelletizing machine and dryer would enable me to prepare my own feed which would be cheaper in the long run, thereby increasing my profit. This is because imported fish feed is expensive and would reduce the profit margin if depended upon throughout the six months grow-out period.

General Company Description

Our business will basically be hinged on preparing the site, acquiring two mobile ponds, fertilize the ponds within say 2 weeks, buy 500 fingerlings for each of the ponds, feed them two times a day till maturity at 6 months and then sale off as point-and-kill or as dried fish or both. Having

sold off, we stock again and repeat the process of brood and sale. We shall also go into hatching over time.

Mission Statement: to be self-employed, create employment opportunities for others, provide protein to the populace and help save some foreign exchange for Nigeria.

Company Goals and Objectives: Our goal is to have a healthy, successful company that is a leader in customer service and that has a loyal customer following. While our Objective will be to have our dried fish in every pot of soup in Nigeria.

Business Philosophy: To earn a good living from what I offer to my customers, while they continue desiring that we serve them always.

Target Customer: Since there are no religious, cultural or demographic barriers on the consumption of catfish, our customers shall be the open market, restaurants and grocery shops. Over time with reasonable expansion, we shall commence exporting the product when the local market is satisfied or just to earn foreign currency.

Competition: Catfish farming industry is still in its infancy in Nigeria, with the commodity very expensive because it is insufficient to go round. Most of the practitioners do it on a small scale in their backyards and near their houses. With enough financing, the country would begin to witness large scale fish farming running into hundreds of million naira. The cost of imported fish feed is very high now because of the high cost of the dollar. This, in turn, makes the fish unaffordable by the common man. With growth over time and encouraging national agricultural finance policy, we desire venturing into commercial local fish feed production as soon as possible so that we can have a first-time advantage.

Strength and Competencies: Fish farming, though available, requires skilled manpower. To set up a fish farming business, you need to learn how to cater to the fish. The most important strength and competence of the company are based on the fact that the prime mover is a graduate and highly trainable. She can easily adapt to changing situations. Our consultants also have many years' experience in the industry and they are also vast in management and are ever ready to keep supporting us. We shall ensure that our top management personnel has high-level manpower, unlike other fish farming businesses, where you mostly find the uneducated managing the affairs of the business.

Legal ownership: for now, our Legal form of ownership is Sole proprietorship and is subject to available cash but, we are open to other business structures like Partnership, Limited liability, and even Public Liability as our final destination.

Products and Services

This fish farming will basically be hinged on preparing the site, acquiring two mobile ponds, fertilizing the ponds within say 2 weeks, buying 500 fingerlings for each of the ponds, feeding them two times a day till maturity at 6 months and then selling off as point-and-kill or as dried fish or both. Having sold off we stock the ponds again and repeat the process of brooding and selling. At this point, we intend to keep some fish until we can use them for hatching. This would

mean constructing another mobile pond as hatchery/nursery ponds, like say 3 numbers of 8 x 8 feet. At the onset of operations, the Fishery will have approximately 2 people to assist with the day to day operations. Another important product and service is the preparation and sales of fish feed. This would, however, require separate capital outlay not covered in this business plan.

Fish Farming Marketing Plan

The Fishery's marketing operations will be minimal as once the Company solidifies ongoing relationship with fishery coops and wholesalers, very little marketing will be required to maintain these relationships. At the onset of operation, we intend to aggressively develop relationship with local and regional fishery coops that will assist the Fishery in maintaining stringent pricing (through forward and future contacts) so that the Fishery always has a predictable stream of income. However, in the future, we might seek to brand certain fish items that we produce. In this instance, the Company will hire a marketing/advertising firm to properly position the Company's image and brand so that it can directly sell packaged fish to major groceries, supermarkets, farmer's markets, and select retailers.

Marketing Objectives

We intend developing relationship with major groceries and fish/seafood wholesalers that will acquire bulk inventories from us and polish ongoing purchase order relationship with cooperatives throughout the target market.

Pricing

Our pricing shall be as in the table below:

	AGE in months	PRICE (₦)
Fingerling	up to 1	30
Juvenile	2	50
Table Size	6	1000 per kg
Brood Stock	8 and above	2500 per kg

The price of various categories of our fish shall be average prices and compete on quality and service. Our intended customers really make their purchase decisions mostly on price, so we are better off remaining average. Our credit policy shall be cash and carry so that our customers would always come with their money.

Economics

As stated in the executive summary, we intend to develop the Fishery as a multi-fish producing farm that will spawn, grow, and distribute its fish to seafood wholesalers throughout the target market. We already have the potential land, but the equipment that will be used for the Fishery's operations would be sourced. Additionally, it should be noted that we will join a fishery cooperative that will assist with the distribution and sale of the fish.

Facts about our industry:

- The size of the market is as huge as the population of Nigeria because everybody eats catfish but, the only problem is affordability because disposable income is on the decline.
- Our percentage share of this market is as good as 0 because 1,000 pieces of catfish per year means nothing to Nigerian market. The important thing is that we shall finish selling output and continue to grow.
- Current demand in target market is that of the sellers' market because total supply is far below demand.
- Catfish production would grow to such a time when fish processors would also enter the scene. The little that is produced now is just not enough for processing and packaging, it is just consumed.
- Growth potential and opportunity for a business of our size is limitless.
- However, we are faced with the under listed barriers of entry into this market:
 - High capital costs
 - High production costs
 - High marketing costs
 - Consumer brand recognition
 - Training and skills
 - Unique technology and patents
 - Unions
 - Shipping costs
- To surmount the above barriers however, we have of course plunged into the business and beginning to eliminate them one after the other from our comfort zone.
- Apart from natural disaster, we do not foresee any adverse effect on our business as a result of change in technology since we are currently almost manual in our operations. Change in government regulations most likely would favour us as it must be ban on imported fish. There is no way change in the economy, no matter how bad, would affect total rejection of catfish by man.

Product

We have described our products and services under *Products and Services* section above as we see them. Now follows their description from our customers' point of view.

Features and Benefits

Fingerling production shall be within one-month order. This will enable us produce and supply any number demanded by our customers. We shall not be selling the last grade of fingerlings to our customers rather, we will grow them ourselves for dried fish purposes only. We must use daphnia or arteria to raise our fingerlings, for 2 weeks at least, to enable our fish longevity. What we have said so far also apply to our juvenile, which are grown with balanced rations. When you

feed animals regularly with balanced rations, they grow out having more density and are testier because they had all they needed. Our table size shall be after 6 months, weighing between 1 and 3kg. As for the brood stock, we must make sure they stay up to 8 months and their eggs brown, before declaring them for sale.