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ASSIGNMENT TOPIC: PREPARE A BUSINESS PLAN ON A CHOSEN AGRICULTURAL ENTERPRISE.



**NANA’S POULTRY FARM.**

Helping to eliminate hunger and provide job opportunities.

7, ISOLO INDUSTRIAL ESATE, OSHODI APAPA EXPRESS WAY, ISOLO, LAGOS.

PROJECT PLAN.

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EXECUTIVE SUMMARY.

Poultry farm is one of the most lucrative businesses worldwide. In Nigeria, giving that the economy is agricultural dependent, having a poultry farm is a well thought investment for a company or an entrepreneur. It serves as a source of income, employment for people and can also increase the national revenue in both a local and international level. Using a modern rearing technique, a profit of ₦1,268,525 or more can be made.

Nana’s farm is an organization made for the production of eggs and poultry meat, in order to make this produce more accessible and affordable to the public. Due to the increment in the prices of poultry produce, we will decrease our prices in order to achieve our goal.

INTRODUCTION.

Nana’s poultry farm is a company established by Me, Ramoni NanaHauwa to produce eggs and other poultry products in order to help eliminate hunger, provide job opportunities and reduce the scarcity of poultry products by making them more accessible to the general community. It is located at 7, Isolo industrial esate, Oshodi Apapa express way, Isolo, Lagos.

Nana’s poultry farm is assured to produce eggs from old layer birds and sell chicken from broilers and to also sell the chicken manure to the nearby farms as a source of residual income. The target population for this produce is global, giving as this produce can be used in factories, restaurants, homes, schools, industries and so on. This produce is very essential to the human body as it serves as a great source of protein which helps to enhance the immune system, improves brain development, mental concentration and muscle development in children.

ENVIRONMENTAL AND INDUSTRIAL ANALYSIS.

It is a fact that the poultry business in Nigeria is a saturated business, so, there would be a lot of competition which Nana’s poultry farm plans to eradicate by making the produce cheaper compared to others in the market. This would be achieved by starting the business with a day old chicks which is less expensive to buy than those who begin their businesses with already matured chickens. This could be a risk due to the existence of flu and other diseases that affect chicks which the company plans to curb by providing the chicks with an on-site veterinarian and also an incinerator to get rid of the affected chicks another limitation to this is that the company would have to wait for 10 to 12 months before sales or any form of transfer to begin. The early stage of the business would be to test run before we go into the market.

The demand for eggs in the society is very high and the price on eggs appreciated more than it depreciates, giving as the company will sell our produce for a cheaper price, we can attract a lot of the manufacturing companies, bakeries and so on, giving as the main aim of every business is to make profit.

Giving as our competitors may have acquired more experience by being in the market longer than we have, we would have to try harder to make a space for our products in an already saturated market. We would not concentrate on any particular produce giving as we would have the land space and man power to take on all aspects of the market and giving as our location, Lagos, which is the center of most business trades in Nigeria, there are a lot of manufacturing companies now and in the next 18 to 20 months, there would be more so, sales is assured.

Our produce is and will always be in high demand in the market as previously stated giving the nutritional benefits and diverse use of it. By observing the sales pattern of the first few months of sales, we could look into investing in an incubator to maintain the eggs or produce more chicks as we deem fit.

DESCRIPTION OF THE VENTURE.

Driven by the mission to eliminate hunger and provide job opportunities, Nana’s poultry farm would focus on the production of eggs, frozen chicken, life chicken, and the likes. Our aim is to make these produce easily accessible by the public with the help of our carefully monitored distribution channels. The farm would be large giving it is located on a 50 acre wide land owned by the company in hope to further expand. We would make use of modern breeds of the layers giving as they produce more eggs than the traditional breeds, broilers would be used for the meat because they grow big at a fast rate.

HUMAN RESOURCES PLANNING.

During the first 18 to 20 months of commencement, the farm will operate with a veterinarian, an accountant, a book keeper, two cleaners, a manager or supervisor who will monitor the day to day activities of the farm, two poultry farmers running on a six a.m. to six p.m. shift and vice versa and two security men who shall run the same shift as the farmers. During the 21st month, a marketing officer, a driver or distributor, a rearer, an equipment operator would be employed depending on the work force.

* PROJECTED PAYMENT OF STAFF PER ANNUM.

Managing director -₦480,000

A veterinarian - ₦350,000

Supervisor -₦330,000

Marketing officer -₦310,000

Accountant -₦300,000

Distributor -₦280,000

Poultry farmers -₦270,000

Book keeper -₦240,000

Cleaners -₦230,000 each

Security men -₦210,000 each

Rearer -₦200,000

Equipment operator -₦180,000

Then, the others. (THE ORGANISATION’S BREAKDOWN STRUCTURE (O.B.S.)

PRODUCTION AND MARKETING PLAN,

When the eggs are laid, some of them would be transferred to the incubator after being carefully examined by the poultry farmers for 21 days at a constant temperature and humidity using a setter and midway into the incubation period, the eggs would be checked for proper embryo development by candling. After the eggs are hatched, they would be transferred to the electric brooder where they would carefully watched by both the farmers and the veterinarian. The other eggs for sale will be transferred directly to the egg trays. Given that the delivery rate of the hens cannot be stipulated to a particular amount, the production rate would vary.

Before we start marketing or sales, we would visit restaurants, industries and other food manufacturing companies pitching and selling our products to them, ensuring that they have adequate knowledge of how we operate and what they stand to gain if they partner with us. We can also invite some of our customers to have a look at our farm and evaluate the products first hand; we would hold a raffle draw or a form of bonanza to lure in more customers.

ORGANISATIONAL PLAN.

The form of ownership is sole proprietorship because this way, the business can be simple, dynamic and also flexible. The customers would be able to get their needs met on time, problems solved as quickly as they appear and also their doubts cleared. The manager in place is to report to the manager daily of the affairs taking place at the farm.

ASSESSMENT OF RISKS AND PROBLEMS.

The potential risks the farm could face are:

1. High mortality rate
2. Power supply
3. High competition
4. Increased man power
5. Insufficient funds

Given the nature of the poultry to be dealt with, they are vulnerable to diseases such as flu and such; this can be taken care of by providing them with proper care (vaccinations and regular checkups by the vet). For the power supply, a high voltage generator would be purchased or solar panels would be installed. Due to the saturation of the market, there is bound to be competition, this can be curbed or handled by the occasional raffle draws and bonanza options. For the increased man power, the employed staff would have to live around the vicinity and as time goes by, the company could look into providing them with housing they would pay installments for. In case of insufficient funds, we would have a treasure account for in case of emergencies.

FINANCIAL PLAN.

For the effective and precise running of the farm, we would need the following startup materials:

* 10 crates of a day old chicks(layer) containing 50 chicks each - ₦18,500 each
* 10 crates of a day old chicks(broiler) containing 50 chicks each - ₦20,000 each
* Two broiler cages with the holding capacity of 250 chicks and 126 mature birds each -₦132,000 each
* Two 3 tier battery cages with aluminum feeders for the layer birds - ₦85,000 each
* An incubator hatchery machine and egg setter with the holding capacity of 2000 eggs -₦155,125
* An electric brooder for the chicks after incubation with the holding capacity of 1000 chicks- ₦34,000
* A solar power system (2.5 KVA) for the incubator- ₦250,000
* Egg candling machine with a holding capacity of 120 eggs - ₦370,000
* 500 egg trays with a holding capacity of 30 chicken eggs each- ₦26,250
* Water softener and filter - ₦25,000
* A watering system - ₦40,000
* Vaccinator-₦100,000
* Beak trimmer - ₦16,800
* Weighing balance for the produce - ₦11,500
* Rake - ₦2,000
* Sprinkler -₦70,000
* Sprayer - ₦15,000
* Flame gun - ₦20,000
* 10 Feed for the layer birds, 25 grams each- ₦3,050 each
* 10 Feed for the broiler birds, 25 grams each- ₦3,730 each
* Miscellaneous - ₦500,000

The total amount for the start up materials is ₦2,522,475.

The total amount for the staff payment is ₦3,820,000.

The grand total for both needs is ₦6,342,475.

THE PROFIT MARGIN.

After 10 to 12 months, the birds are able to produce a total of 5,236 crates of eggs beginning from the 2nd month of production giving they are properly taken care of. Now, a crate of eggs can be sold for ₦1,000 each. So, for 5,236 crates of eggs a total income of ₦5,236,000. This lasts until the end of their production cycle given there is a 10% mortality rate (10% of the 500 birds means 50 birds might die) so, out of 500 birds, we are left with 450 birds. The 450 birds can be sold along with the broiler breed making it 950 birds. If sold at a rate of ₦2,500, this could generate a total income of ₦2,375,000.

The grand total of the sales of the eggs and the chicken would be ₦7,611,000. This value might be more giving the residual cost that could be generated from the byproducts.

The profit would be the total revenue – the capital income = ₦1,268,525. The profit could be more than the amount stated.

CONCLUSION.

Given the analysis of the breakdown, it can be further concluded that the poultry business is indeed a lucrative one. For a 10 to 12 month test, it could generate a profit of ₦1,268,525 or more if the proper care is taken.