

NAME: MOHAMMED BOLANLE KHADIJAT

MATRIC NO:18/MHS02/113

COLLEGE: MEDICINE AND HEALTH SCIENCES

DEPT: NURSING

**A FEASIBILITY REPORT/BUSINESS PLAN FOR THE DEMONSTRATION
PROGRAM OF A COMMERCIAL (SALMON) FISH FARMING AND
ESTABLISHMENT OF FISH FARM FACILITIES AT LADI INTERGRATED
FARMS, AKURE, ONDO STATE, NIGERIA BY FOLABISI AGRIDEALS AND
CONSULTANCY**

EXECUTIVE SUMMARY/PROJECT DESCRIPTION

The project is a five year demonstration program of commercial (salmon) fish farming on a large scale utilizing drainage water and land with no better alternative use and the establishments of fish farm facilities at Akure by ladi intergrated farms and Arowosegbe Morodayo Farmer's cooperative society limited including construction of mobile ponds, pump station and water supply. The fish farm facilities will produce a considerable amount of fish which will be processed into fish meals and oils. Due to the demand, this fish farming is going to allow for large supplies of fish. Fishing from the wild cannot always fulfill the demand of consumers hence, in such cases this type of commercial fish farming can meet up their demand.

The proposed project is also going to be a great source of employment, a great source of income and also help in preserving the ecosystem. The entire fingerlings to be reared will be sourced through direct purchase from fish farmers. The project will create market access, improve income of farmers and contribute significantly to food security. It will also generate satisfactory returns from sponsors and investors.

SPONSORSHIP

The project is sponsored by Mr Morodayo arowosegbe, a retired banker who decides to set up a big agricultural firm. This firm consists of experts with many years of experience in the project being proposed. Folabisi Agrideals and Consultancy will be responsible for the management and consultancy of the project.

MANAGEMENT

Mrs Febisola Aderopo shall be the managing director/president responsible for the coordination of the day to day management of the cooperative business. She received

trainings from Zyex Nigeria limited, who are also in constant consultation and SEEDC(South east entrepreneurship development centre). She has distinctive competencies in accounting, management, communication and marketing. She is accountable to the board of directors which will be made up of shareholders and members of the cooperative who have stake in the survival, growth and profitability of the business as well as distinguished agribusiness professionals of proven integrity and vast experience in the project area. The prime objective of the board will be to give strategic directions and policies that will ensure long term success of the organization as the plan is to train everyone in the family/company as a way of ensuring continuity. She will mobilize organization resources to achieve set goals. She will manage business risks and focus on wealth creation.

TECHNICAL ASSISTANCE

The firm has a working relationship with NIFF (National institute for freshwater fisheries). NIFF have researched into all freshwater fisheries, and long term effects of man made lakes on ecology and environment throughout the country and will provide technical assistance in this regard. To increase local production, Ladi integrated farm is partnering with “ Feed the future partnering for innovation”, a fintrac implemented USAID program that invests in private sector partnerships to commercialize agricultural innovations in smallholder markets, to increase their capacity to supply fish to farmers and build teams of aquaculture specialists to provide extension services.

The firm has working relationship with bank of agriculture. They have agreed to assist through a loan of 7% interest(anchor borrower’s scheme)given to the cooperative. Most times, ladi integrated farms act as a guaranteed buyer which provides the financing partner more confidence the loan will be repaid, using the loans to finance the project while simultaneously receiving technical support from the teams.

The firm also has working relationship with and linkages to industry players in the project area who will off take products through a purchase and sale contract agreement. They include Flour mill of Nigeria Limited, Obasanjo farms Ltd, animal care and others. The fish oil will be sold to pharmaceutical industries and the fish meals will be sold to animal farms.

MARKET AND SALES

Nigeria consumes 1.2million metric tons of fish every year with 85% representing 800,000 metric tons imported. It’s one of the world’s largest importers of fish. Nigeria spends #97billion naira on fish importation every year. This shows that the market for fish in Nigeria is huge and with population growing at 5.790 annually, the market will continue on the upward trend

Market orientation: south west and south east Nigeria

Market niche share:5% niche market in south west and south east Nigeria.

Except for 10% mortality, which is provided for in any animal husbandry outfit, we forecast 95% sales of our output.

COMPETITION ANALYSIS

The country would begin to witness large scale fish farming with enough financing 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 .Competition analysis would have been necessary had it been that fish farming business has become institutionalized in Nigeria, but the reverse is the case.

TARIFF AND IMPORT RESTRICTION

Forex restriction on food importation and zero duty on imported agricultural equipment will favour the project under restriction

TECHNICAL FEASIBILITY, RESOURCES AND ENVIRONMENT

The projects(Fish farming and establishment of fish farm facilities for fishmeal and oil) is technically feasible, In terms of technology which involves wet pressing and extraction of oil from fish on an industrial scale which is basically carried out in four stages; fish cooking, pressing, decantation and centrifugation. The industrial processes are simple and a specialist in fish oil extraction with more than 10years experience is part of our team. The needed equipments for oil extraction are readily available and our experts have hand on experience in the usage and maintenance of the equipments. On the fish meal production, we have specialists in the production which include cooking, pressing, drying and grinding of fish or fish waste into solid. Most of the water and some or all of the oil is removed. Four or five tones of fish are needed to manufacture one tone of dry fishmeal.

On the path of rearing fish, we have specialists in fish farm management, fish production, market development, accounting and others. We also have specialists in quality control as part of our management team. The state of infrastructure around the firm and generally in Akure is adequate and suitable for the location of the firm for efficient production processing and marketing. Ladi integrated farms will target a market niche and penetrate through cooperative societies to make our brand popular. From our analysis, integration of production and processing will give us a competitive advantage. we

are implementing our project using the best practices, sustainable production and due consideration for the environment.

GOVERNMENT SUPPORT AND REGULATION

The project conforms with the economic diversification objective of the government. It also supports foreign exchange, creates economic opportunities, market access, improved income for farmers and support food security objective of government. The project will benefit from government intervention fund in the agriculture sector. The project will also benefit from the favorable policy of zero duty for agricultural and equipment import. There is no law prohibiting fish farming and so no permit is required to practice.

TIMELINES OF PROJECT

The project will be completed within a duration of 6 months.

ESTIMATED PROJECT COST AND REVENUE

STARTUP EXPENSES AND CAPITALIZATION

REQUIREMENTS	PRICE	QUANTITY	AMOUNT
10×10 Feet mobile ponds	₦40,000.00	10	₦400,000.00
Water Supply(Borehole)	₦500,000.00	1	₦500,000.00
Fingerlings	₦40.00	5000	₦200,000.00
Feed	₦400.00	5000	₦2,000,000.00
Pelletizing Machine	₦70,000.00	5	₦350,000.00
Dryer	₦60,000.00	5	₦300,000.00
Grinding Machine	₦50,000.00	5	₦250,000.00
Power Generator	₦160,000.00	4	₦640,000.00
Power Generation	₦500,000.00	2	₦1,000,000.00
Salaries	₦20,000.00	120	₦2,400,000.00
Contingencies	₦200,000.00	1	₦200,000.00
TOTAL			₦8,240,000.00

The Financial plan consists of a 24Months cash flow projection and break even calculation. Together they constitute a reasonable estimate of our firm’s Financial future. More Importantly, we hereby present the financial insight into the inner financial workings of our firm.

FUNDING MECHANISM

The Firm will produce 10 Hectares of cleared farm land for the placement of mobile ponds and other basic amenities such as: offices, warehouses, fish meal and oil factories e.t.c. They will also provide equipments such as pelletizing machines and power

generator as equity contribution. Equity and investors are also going to provide loans to fund the project.

CONCLUSION

The project is technically feasible and commercially viable. It is therefore recommended for funding.