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**COURSE CODE: AFE 202**

**DEPARTMENT: NURSING**

**1.0 EXECUTIVE SUMMARY**

**1.1** The following report and recommendations relate to the proposal by Timfred pig farm.

**1.2** The project would require a startup capital of ₦4,450,000 made up of ₦2,740,000 for fixed assets and ₦1,710,000 working for capital.

**1.3. MISSION AND VISION**

**1.3. a. MISSION**

The enterprise is to be one of the leading pig farming brand, not just in Ibadan, Oyo State, but also in the whole country of Nigeria.

**1.3. b. VISION**

To promote pig farming and become the top most supplier of pork to different consumers and retailers in Ibadan and the whole country at large

.

**1.4** The project will be located at Ibadan because of its easy access to target market from that location. A huge market is available for the business to strive.

**1.5** The financial projections show that the project would be financially stable and liquid by the time it matures. The sales figure stands at ₦536,000, ₦2,602,000 and ₦4,365,000 for Year 1, Year 2, and Year 3 respectively. Also the profit after tax are: ₦900,000, ₦2,601,000 and ₦4, 365,000 for Year 1, Year 2 and Year 3 respectively. The cash flow position is equally good and encouraging by the second year through the third year.

**1.6** The competitive edge of the enterprise lies in effective and reliable livestock farming processes that can help the company sell its products processed meat at competitive prices, good network and excellent relationship management.

**Table 1.0:** **The profitability measures are shown below:**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Year 1** | **Year 2** | **Year 3** |
| Turnover (₦) | 536,000 | 2,602,000 | 4,548,000 |
| Profit before Int & Tax (₦) | 900,000 | 2,890,000 | 4,850,000 |
| Profit After Tax (₦) | 900,000 | 2,601,000 | 4,365,000 |
| Return on Sales | N/A | 111.06% | 106.64% |
| Return on Equity | N/A | 75.4% | 131.8% |
| Return on Investment | N/A | 58.47% | 102.2% |

From the point of view of the analysis, the proposed project is found to be technically feasible, financially viable and economically desirable. Thus the project offers good investment benefits, and is therefore highly recommended for implementation.

**2.0. Sponsorship, Management and Technical Assistance**

**2.1. Sponsorship**

Timfred pig farm is discussing with Ibadan Small and Medium Enterprises (SME) center to offer, over a period of years, strong management and business support service. Also the farm will access support on technical issues from the Entrepreneurship Development Center where the proprietor received training on entrepreneurship. Finally the service of a veterinary expert and consultant has been planned to be retained.

**2.2. Management and Technical Assistance**

Timfred Pig Farm is a sole proprietorship. It is wholly owned by Oyelade Korede, who being the sole owner of the farm will manage the affairs of the farm. Oyelade Korede is a trained stock broker and such has enough basic knowledge of financial knowledge which he is expected to utilize in running the farm.

To help in the day to day management of the farm, some other good hands will be hired. The plan is that the hired hands will compliment Oyelade Korede in the area of technical knowhow in pig rearing. Table 2 shows the staff and management compliment of the pig farm.

**Table 2.0.: Management and Labor Compliments**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| S/N | Positions | No of staffs | Annual Salary per staff (₦) | Total (₦) |
| 1 | Proprietor | 1 | 360, 000 | 360, 000 |
| 2 | Farm assistants | 3 | 120, 000 | 360, 000 |
| 3 | Typist/ Cashier | 1 | 132, 000 | 132, 000 |
| 4 | Security Men | 2 | 72, 000 | 144, 000 |
|  | Total |  |  | 996, 000 |
|  | Add 5% fringe benefits |  |  | 50, 000 |
|  | **Grand Total** |  |  | 1,046,000 |

**3.0. Market and Sales**

**3.1. Market Analysis**

Timfred pig farm has a promising business opportunity since there is a huge market for pork in Nigeria and its environs given the increase in population and consequently increase in population and consequently increase in restaurants, hotels etc which needs meat (especially pork due to the abstinence from red meat for health reasons recently) for their business.

**3.2. Customers/Market Segmentation**

The market for pork is very huge and is ever increasing, putting the global demand for pork at 11million tones. Pork can be supplied to abattoirs, local butcher shops, retailers, restaurants, hotels, supermarkets, wholesales and individual customers.

Timfred pig farm has plans to articulate appropriate marketing strategy for each category of customers.

**3.3. Products**

a. Dressed pork meat

b. Market hogs

**3.4. Product Description**

* **Dressed pork meat**

The main product of pig farming business is pork meat which is a very nutritious meat rich in vitamins like thiamin, niacin, and riboflavin.

* **Market Hogs**

A hog that’s ready to be processed into pork or sent “to market”. Usually market

Hogs weigh between 230 and 270 pounds live.

**3.5. Marketing Plan**

There are quite many pig farms in the area but most of them are on small scale. Given the fact that most of them are on small scale, there is inconsistency in their service and product provision. So with increased competence and reliable service, Timfred Pig Farm can highly compete with them and in short time, Timfred pig farm will be a market leader.

**3.6. Marketing Strategy**

As part of the marketing strategy, Timfred pig farm will sell its products via electronic auction. Electronic auction has gained increased popularity I recent years with the opening of an electron auction using social media and classified websites e.g. Olx.com.ng. Information along with the identification of the seller is made available to prospective buyers via the internet. This marketing method offers potential benefit to both buyers and sellers if properly designed and operated. Other strategies include, giving trade discounts to drive market faster.

**3.7. Projected Sales**

**Table 3.0: scheme of Sales**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Sales from Porkers (**₦**)** | **Sales from dressed porkers (**₦**)** | **Total sales (**₦**)** |
| **Year 1** | 875,000 | 2,625,000 | 3,500,000 |
| **Year 2** | 1,337,000 | 3,863,000 | 5,200,000 |
| **Year 3** | 2,075,000 | 6,225,000 | 8,300,000 |

**3.8. Market Positioning**

Timfred pig farm will position itself in such a way it becomes one of the leading pig farming business in Nigeria, which is why it has sourced for best hands and equipment to run the business. Again it will position itself in such a way that it will dictate the marketing standard of all pig farms in the region. In other words, it will set the pace and others will follow.

**4.0. Technical Feasibility**

The pig is a high prolific animal that is capable of reproducing every 3 months. In fact, it is normal for pig to reproduce up to 4 piglets from a given pregnancy. Therefore it is normal problem and challenge among piggeries to contain expansion. However, Timfred Pig Farm has planned its schedule of operations in such a way as to contain these challenges.

**4.1. Schedule of Operation**

A parent stock of 22 (twenty two) pigs has been planned for the piggery. This will consist of 20 Sows and 2 Boars. It is expected that each of these sows will always reproduce 7 piglets every quarter. This implies that the farm expects 35 piglets monthly.

The plan is that the first set of 5 sows will deliver in a hypothetical month I, while the second set of 5 sows will deliver in the second month. The third set of 5 sows will deliver in the third month. By this third month the first set of 5 sets is ready again for production.

After birth, the piglet stays 1 month in the lactation stage during which it solely depends on the mother’s milk for survival. After the lactation stage, the piglet moves over to weaner’s stage and will stay in this stage for 3 months. The next stage is the fattening stage where the pig will stay for 2 months.

The last stage is the porker stage and the pig stay in this stage for 3 months and by the time the pig completes the porker stage, they must have been reared for 9 months and are ready for market. Table 4.0 shows the schedule of the operations of the pig farm.

**Table 4.0: Schedule of Farm Operation**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Month** | **Parent****Stock** | **Lactation Stage** | **Weaner’s Stage** | **Fattening Stage** | **Porkers****Stage** | **No of Porker****Sold** | **No Of****Porker****Dressed** |
| Jan | 22 | 35 |  |  |  |  |  |
| Feb | 22 | 35 | 35 |  |  |  |  |
| Mar | 22 | 35 | **70** |  |  |  |  |
| Apr | 22 | 35 | **105** |  |  |  |  |
| May | 22 | 35 | 105 | **35** |  |  |  |
| Jun | 22 | 35 | 105 | 70 |  |  |  |
| Jul | 22 | 35 | 105 | 70 | 35 |  |  |
| Aug | 22 | 35 | 105 | 70 | 70 |  |  |
| Sep | 22 | 35 | 105 | 70 | 105 | 25 | 10 |
| Oct | 22 | 35 | 105 | 70 | 105 | 25 | 10 |
| Nov | 22 | 35 | 105 | 70 | 105 | 25 | 10 |
| Dec  | 22 | 35 | 105 | 70 | 105 | 25 | 10 |
| **Total** | **22** | **420** |  |  |  |  |  |

**5.0. Government Support and Regulation**

**5.1. Government Support**.

Timfred Pig Farming plans to commence commercial operations as a sole proprietorship. Such it is just enough to register the business name with the appropriate department of the local government Headquarters. No special licenses are required for the operation of a pig farm; however every attempt will be made to get all necessary permit and licenses.

The implementation of the project will bring about social and economic benefits to the society in the following ways:

a. It will create new jobs.

b. It will bring about wealth creation and poverty reduction.

**5.2. Regulations**

Pig farming could pose an environmental challenge if certain precautions are not taken especially with respect to waste disposal. It is the plan of the farm to dig a very big septic tank/suck away for all liquid waste of the farm. Also the fasces of the farm will be dried and recycled as Organic manure. Handled this way, the pig farm will not constitute environment threat to the community.

The pig farm will comply with all environmental regulations as well as all relevant industrial safety regulatory requirements.

**6.0. Timeline of Project**

The financial projections show that the project would be financially stable and liquid by the time it matures. The project timeline is **three (3) years.**

**7.0. Estimated Project Cost and Revenue**

**7.1. Summary of project cost.**

The total cost of the project is ₦3,160,000.00. This is made up of ₦2,170,000.00 in fixed capital and ₦950, 000 in working capital.

**7.2. fixed capital investment**

Timfred Pig Farm is located at Ibadan, Oyo state on a land area about 5 standard plots of “60 x 120”. The site is motorable all year round. Table 7.3 shows the fixed capital investment required for the project.

**Table 7.3: Fixed Capital investments**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **S/N** | **Detail** | **Qty** | **Unit price (**₦**)** | **Total Amount (**₦**)** |
| **1** | Pig houses with 24 pens | 4 | 200000 | 800000 |
| **2** | Reinforced underground | 1 | 250000 | 250000 |
| **3** | Overhead plastic Water Tanks (2000 gallons) | 1 | 50000 | 50000 |
| **4** | Lanterns | 20 | 1000 | 20000 |
| **5** | Delivery van | 1 | 750,000 | 750,000 |
| **6** | Shovels | 10 | 1500 | 150000 |
| **7**  | Metal waste basin | 10 | 1600 | 160000 |
|  | **Sub-total A** |  |  | 2,180,000 |
|  | An investment in livestock |  |  |  |
| **8** | Sow | 20 | 120000 | 240000 |
| **9** | Boars | 2 | 12000 | 24000 |
|  | **Sub-total B** |  |  | 264000 |
|  | **Grand total (A+B)** |  |  | 2,444,000 |

Live stocks in the forms of sows and boars are taken as investments since they are retained for at least 3 years before disposal.

**8.0. Funding Mechanism**

To finance the required investment outlay, the proprietor plans to raise an equity capital of ₦950, 000 while ₦2,210,000 will be borrowed from the bank.

**8.1. Financial Analysis**

The project comes out of the gestation period in 9 months and even by that and time the sales for the month stood at ₦445, 000. 00. By the end of the first year (of which there was only 4 months of selling activities) the sales was ₦178000000 and this is expected to grow to ₦587400000 and ₦6462000000 respectively for the second and the third years.

**9.0. Cash flow projection**

By the second year of operation when the business has fully matured the cash flow position is as shown below.

**Table 9.0.: Cash Flow Projection**

|  |  |
| --- | --- |
| **Year 2** | **Year 3** |
| 246000 | 668000 |

This means that the business will be able to generate enough funds to meet maturing obligation as from the second year operation.

**10.0 Other considerations and conclusion.**

**10.1. Economic Justification.**

From the view point of our study and analysis of the findings made, the project offers good benefit to the promoter and the economy. Wealth will be created even as jobs are also created. These are consistent with the Federal and States Government Policy on Entrepreneurship, wealth and job creations.

**10.2. Commercial viability.**

The commercial viability of the project is very clear. The project has been found to be commercially viable, having shown through projections, an impressive sales, profits and cash flow positions.

**10.3. Conclusion**

Therefore the project is highly recommended both finding and implementation.

**reference**

 All-time Pig Time Farm Retrieved from:https://raadaa.com//download/entries/business-plan-on-pig-farming-business