18/MHS02/050

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**Prepare a business plan on a chosen agricultural enterprise following the guideline in the note. spiral bind and submit upon resumption. Minimum of five pages, times new roman size 12 with double spacing.**

**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. See startup Expenses and capitalization

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.

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.

Currently, Nigerian economy is slowly [recovering from recession](https://www.proshareng.com/news/Nigeria%20Economy/From-Recession-to-Growth--The-Story-Of-Nigeria%E2%80%99s-Recovery-From-The-2016-Economic-Recession/45370). This slowdown in the economy has also greatly impacted real estate sales, which has halted to historical lows. Many economists expect that this [recession](https://www.kmacims.com.ng/Users/KIMS-TRA-08/Downloads/2450-1-2395-1-10-20180305.pdf) will continue through 2016, at which point the economy will begin a prolonged recovery period. However, this should have a minimal impact on the Fishery’s ability to generate revenues, as much of its produced fish will be geared towards popular fish that are constantly in demand regardless of the general economic climate.

### **Industry Analysis**

Each year, the industry generates a lot of money from fish farming through retail fish sales. These sales also include the receipts generated by restaurants that specialize in the sale of seafood. Among importers and distributors, a lot of money running into billion is recognized annually among market agents. The industry also employs so many people. The growth of the industry is expected to continue as more Nigerians are seeking to add fish and other seafood products to their diets for both the taste and health benefits associated with seafood. One of the most common trends in the fishery industry is that newer technologies are actually increasing the net profit margins of the business while concurrently lessening the ecological impact of fisheries on the environment.

### **Customer Profile**

It is extremely difficult to determine the customer profile of people that will acquire the fish produced by us because fish is consumed by all. The Company intends to do business with farmer’s markets, fishery coops, and fish/seafood wholesalers that will acquire the Company’s inventories of fish.

## 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.

This Fishery intends to maintain an extensive marketing campaign that will ensure maximum visibility for the business in its targeted market. Below is an overview of the marketing strategies and objectives of the Fishery.

### **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 (~~N~~) |
| Fingerling | up to 1 | 30 |
| Juvenile | 2 | 50 |
| Table Size | 6 | 1000 per kg |
| Brood Stock | 8 and above | 2500 per kg |

[**KmacIMS | Education Annex**](https://www.kmacims.com.ng/amp)

1. [Business and Finance](https://www.kmacims.com.ng/category/business-finance/amp/)

# Business Plan on Fish Farming

By [**admin**](https://www.kmacims.com.ng/author/admin/amp/) on Mar 25, 2020

|  |  |  |
| --- | --- | --- |
| 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:

1. 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.
2. 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.
3. Current demand in target market is that of the sellers’ market because total supply is far below demand.
4. Catfish production would grow to such a time when fish processors would also entre the scene. The little that is produced now is just not enough for processing and packaging, it is just consumed.
5. Growth potential and opportunity for a business of our size is limitless.
6. However, we are faced with the under listed barriers of entry into this market:
   1. High capital costs
   2. High production costs
   3. High marketing costs
   4. Consumer brand recognition
   5. Training and skills
   6. Unique technology and patents
   7. Unions
   8. Shipping costs
7. 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.
8. 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 artemia 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.

Apart from the testy and palatable aroma and sensation we derive from catfish in our food, the importance of fish protein and oil in our diet and our body system can never be over emphasized. Please consult a medical doctor for the importance of sea food to us.

In doing our business, we will be contributing to the reduction of unemployment by employing as much as will be profitable to us.

Our after-sale services will include delivery, service contracts, support for processing, follow-up on startup fish farms, and refund policy.

### Customers

Our customers base cuts across all religion, ages, gender, location, social class, educational level and occupation. However, point-and-kill catfish is for middle and high income levels, while the dried one would readily be available to the low income earners.

For business customers, we have open market, restaurants and grocery shops. Nigeria is yet to witness the entry of fish processing factories, so we are not thinking of them for now, especially with our small capital base: N1.5m.

### Competition

Most fish farmers around us depend on imported fish feed with its huge overhead cost. We intend to formulate our own feed which will be nutritive enough but cheaper, translating into higher profits even when we sale cheaper. Although all the fish farmers put together cannot yet saturate the market because all of us are currently very small scale farmers. So competition is too early to be given consideration in catfish production in the Nigerian contest, but we shall prepare ourselves in readiness. Imported frozen fish is not catfish and tests different.

Of cause, we still envisage indirect competition, from meat, example beef, pork, chicken, snail, goat meat, frozen fish, stock fish. Again, meat tests different from fish. Other fish farmers are excluded because, put together, we cannot produce enough for now. The compettion is only on certain customers because a customer who wants point-and-kill must have catfish or nothing at all.

Competitive Analysis would have been necessary had it been that fish farming business has become institutionalized in Nigeria, but the reverse is the case.