**Isokariari Datonye**

**18/eng06/029**

**Mechanical Engineering**

**Datonye's poultry farm ltd**

**CHAPTER ONE**

**EXECUTIVE SUMMARY**

**Datonye's poultry farm is a newly founded agricultural institution located in Portharcourt Rivers state that deals with the production and distribution of chicken eggs and meat commercially for the market. A land space of about 3 plots has been acquired on which this farm would be setup.Poultrt farming is a very lucrative business as it has a high demand in the market.**

**Objectives**

1. Expand our customer base through direct referrals and agressive direct sales.ased on customer requests.
2. Expand our custom feed mill to meet the growing sales market.
3. Expand the types of services offered to our customers, as their desires are identified.

**PURPOSE**

Our purpose is to breed the best chickens which will produce the finest eggs as well as produce the best feeds for livestock. Also to gain fame over the globe with our poultry farm thereby attracting customers from every nook and crannies of the world.

**CHAPTER TWO**

**BUSINESS NAME**

**Datonye’s poultry farm**. OUR SERVICES INCLUDE:

SALES OF LIVE CHICKENS (OLD LAYER AND BROILERS)

EGGS (WHOLESALE ONLY).

FROZEN CHICKEN.

**TARGET MARKET AND DEMOGRAPHICS**

The target market is initially the super markets but as the farm grows we advance to hotels, schools and even home delivery services.

**PRICING**

Pricing is one factors to consider in the start up of a new business as a new commer to the market it's economically wise that we set our prices below the marke value so as to attract customers then after establishing a standard in the marketing community we can slowly stabilize our prices.Prices depend on quality and quantity of products the larger chickens and eggs are sold at a higher price and vice versa.

**Equipment and Appliances Involved In the Business**

i. Feeders

ii. Drinkers

iii. Crates

iv. Lighting system

v. Brooders

vi. Cages, coops, perches, nests

vii. Egg trays

viii. Buckets

ix. Brooms

x. Wheel barrows

xi. Incubators or hatching boxes.

Assets Involved;

Transport vehicle

Buildings (Store,offices)

cages

**Analysis of Equipment, Assets and Management**

| S/N | ITEMS | NO. OF ITEMS | ESTIMATED COST IN N/PER ANNUM |
| --- | --- | --- | --- |
| 1 | Wheel barrows | 3 | 27,000 |
| 2 | Lighting system | - | 300,000 |
| 3 | Waste disposal system | - | 200,000 |
| 4 | Cleaning equipment & tools | - | 100,00 |
| 5 | Cages, coops, perches & nets | - | 1,500,000 |
| 6 | Feeders | 500 | 120,000 |
| 7 | Crates/egg trays | 500/50 | 170,000 |
| 8 | Heaters/incubators | 50/30 | 600,000 |
| 9 | Broiler starters (chicks) | 1000 | 250,000 |
| 10 | Starter layer | 1000 | 250,000 |
| 11 | Cockerels | 500 | 100,000 |
| 12 | Medicine/feed | - | 350,000 |
| 13 | Workers payment | - | 1,500,000 |
| 14 | Maintenance | - | 500,000 |
| 15 | Transportation(used truck) | - | 700,000 |
| 16 | TOTAL | - | 5,842,000 |

**Poultry House & Facilities:**

Our organization has decided that the battery cage system is the best and .oat suitable for this farm. It will have a specific design which makes feeding and waste disposal much easier as the will be feeding and drinking truffles and waste outlets. This system will also reduce the risk of spread of disease.A storage facility will be built in place to store food and water for the animals, store the eggs and a cold room for the chickens.

The executive building will be placed at the forefront of the land as this is where we can interect with customers, and take record of our assets.

**CHAPTER THREE**

**Capital Investment:**

As with other businesses, starting and running a poultry farm in Nigeria is capital intensive.

* The land : 3 plots of land costing 500,000 to 2 million naira
* The labourers or workers: First of all a professional on the breeding of poultry birds must be hired as he or she will oversee all activities on the farm, then about 5 to 8 hand workers on the farm to help out on feeding, maintenance and cleaning.This professional depending on his experience and knowledge would request about 150,000 per month while the workers about 30,000 per month in total it is about 400,000 per month
* Infrastructure: For 500 birds the standard cage houses about 100 birds which will coat 250,000, then the pen house construction 400,000
* Feeding:There are several feeding packages delivered by different companies but an estimate feeding package per year would be 3.5 million for 500 birds
* Distribution of product:A driver would be hired to transport the products to the market say about 30,000 per month
* Security:A single fence round the land and atleast 4 guards taking shifts on watch. The wall fence and a gate shouldn't coat more than 150,000 and the guards earning minimum wage.

All these costs as a capital requirement for the first year is coming down to about 11.6 million naira depending on our choices.

**Profit**

This is the sales minus the expenses not considering the initial capital investment per year.This is all an estimate.

**RISKS**

**Personal risks:**

Personal risks arise from events affecting the personal lives of the farmer and or his partners which may in turn affect the operation of the business.

In this instance we predict some personal risks (catastrophic events) such as fire, flood or death. It can also include variation of goals and objectives between the high desk and the low desk

**Diseases and parasites is a great poultry farming system problem**

Diseases and parasites can cause losses in egg production. Some breeds of birds are resistance to certain diseases which make them superior to those that are easily infected by many diseases.  
More over if you want your laying birds for maximum production, do all you could to prevent them against any kind of diseases. In case of any outbreak of diseases treat them immediately so that their production will not be tampered with. In addition, you would never want to breed an ill chicken they could pass the illnesses down to future generations and you would have a constant battle in your hands.  
Always raised the healthiest chickens together the more generations and that have healthy chickens the more resistance they build up to diseases.

**Solution**: Here you need to be observant, you might not be able to identify any symptoms in your poultry farming. Not every disease gives any symptom, but in case you see strange sign in your farm inform your veterinary doctor at once. By so doing, the right drugs will be prescribed, also a periodical check up by the vet would be required.An isolation facility should be put in place to avoid spread of disease.

**Feed related problem poultry farming system**

Feeding related problem is another problem we need to consider as this determines the growth of rate of our birds. Feeding is more than just given the birds feeds, they need balanced diets if you want them to do well. Some producers mix complete feeds with cheaper scratch grains, but doing so dilutes the levels of nutrients the chickens are receiving, and nutrient deficiencies can occur. Nutrient deficiencies can adversely affect the growth of pullets and the level of production of hens. The level of feed a bird will eats depend on it sizes, ages and rate of egg production, energy level of the feed and temperature of the house i.e. laying house. Amount of feed consumed also depend on the breed of birds. Take for example, A Leghorn chicken eats about 1/4 pound of feed per day. Brown-egg layers are slightly larger and require more food, therefore need more feeds. Quality of eggs is affected by the feed they eat, the quality of egg shell is determined by the level (amount) and the presence of vitamin D, Calcium and other minerals in the feed. Pigment in the feed determine the yolk color of the eggs, to achieve the maximum egg size in production, the level of protein in the feed come in place and fatty acid. Since more is known about the nutritional requirements of the chicken than of any other domestic animals, it is not surprising that rations are scientifically balanced to assure layer health along with optimum quality eggs at least cost. In short words, feed quality is required in profitable laying birds.

**Water related Problem in poultry farming system**

This problem should not be underrated, the quality of water available is very important, the acidity of the water must be checked and balanced before we give to the birds. Acidic water will imply negative effect to the life of the birds as this will affect them in many ways.

**Solution**: Periodical testing of the water supply, installed water purification system and cleaning of storage tanks.

**Drugs related problem poultry farming system**

This is a big threat to poultry farmers, not all drugs requires are available in the market, some time those available are not effective, meaning they are fake. When some are prolong in used, they build resistance to its effect ie they will not be effective when they are administered. The available drugs are not effective like the former one, so this cause a lot of problem for us farmers. Aside this, we should consult veterinary doctors for proper prescription of drugs we must administered

**Possible solution**:  We should consult veterinary for the right drugs for the right problem.

**Management related problem in poultry farming system**

This refers to the general hygiene of the entire farming system, if you apply the above listed solution and you are not properly taken care of the birds. You will end up spending big money that will not materialize. Maintain 100% hygiene for best performer of your birds, clean their house, and wash their drinkers and feeders. Remove grasses from sounding to prevent predators that might want to affect them.

**3.3 HUMAN RESOURCES**

They are responsible for training, evaluation as well as assessment of employees. The human resource team oversees the smooth running of the daily office. They enhance department and organization reputation by accepting ownership for accomplishing new and different requests, exploring opportunities to add value to job accomplishments. They also carry our staff induction for new team members.Therefore as the CEO you should hand pick credible individuals to represent your business.

**MANAGEMENT TEAM**

Management team is a team of individuals at highest level of organization management who have the day- to- day responsibilities of managing an industry, company or cooperation. These poultry farm management teams are individuals who are responsible for day- to- day running of the farm which include monitoring the welfare of feeding them and ensuring they are in good health.

The key management team are as follows;

1. Poultry farm manager (CEO)
2. Assistant farm manager
3. Poultry stock man
4. Poultry finance/account manager
5. Executive marketing and sales manager
6. Production manager
7. Part timer workers/cleaners.

**Responsibilities and Others**

**Poultry farm manager/CEO;** the farm manager is responsible for planning, organizing and managing the activities of the farm.

**Duties;**

* Planning finance and production to maintain farm process against budgets and parameters.
* Planning activities for trainee staff, mentoring and monitoring them.

**Assistant farm manager;** the assistant farm manager will responsible for the management of the poultry farm. This will means responsibility for health, welfare and the performance of the poultry unit.

**Poultry stock man;** stock man is responsible for supporting the husbandry of the farm’s birds. This will include insuring they are fed, watered and locked after feeding in other to meet health and welfare requirement as well as growth targets for birds bred for meat, or egg production for layers.

It is the duty of stock man to ensure the health status of the chickens in other to enhance a good a product.

**Finance/accounting manager;** the account manager; manage the key account head office, on farm and steering communities were required. He develops and implements sales and marketing plans and meet sales target, handle negotiation at higher level with head office and technical nutritionist. The account manager identifies and develops business opportunities in existing channel patents, increase sales in a manner consistent with company policy and goals.

**Executive marketing and sales manager;** the marketing and sales managers manage and assign territory of product line to maximize sales revenue and meet cooperate objectives, review sales progress, develop specific plans activities to ensure revenue growth.

Some duties of the sales manager include

* He is in charge of calling customers.
* Maintenance and extension of sales territory.
* Increasing sales line, image, and building and developing product knowledge.

**Production manager;** the production manager is responsible for managing the production, operating to ensure that the achievement of production target within the specialized quality, environmental standard and budget.

* It is his duty to manage the production team.
* Adherence to plan.
* Adherence to site and business protocols.

**Part-time workers/cleaners;** part-time workers are workers who work time to time not regularly. They also take part in cleaning to ensure that the farm is clean and to prevent and check farm products fromcontacting diseases.

**Skills and Experience of the Management Team**

The management team will be individuals of high skills due to undergoing training on how to handle the business, to ensure the progress of the business by minimizing cost and maximizing profit. The will be also individuals, who have experience because they may have been engaged in the business several time before they have experience of how to run the business and prevent the farm from uncontrollable factor which may do harm and affect the progress of the

**TECHINCAL SPECIFICATIONS AND EXPERIENCES**

Poultry farming industry is covered by hazards; risk and disease outbreak which if not handled properly brings dangers and threats to not only the laborers in the industry but to the whole community.

With the high growing danger of bird flu epidemic condition, all over the world and global concern about food related diseases of humans, it is a must to establish a decent poultry farm that will be free from any intimidation to health. poultry farm has designed some pre-causative strategies that will serve as a shield that prevents or set the farm under the reliable protection against any threat of public health. The key points competently planned are as follows;

1. Employing specialized skilled employees
2. Good management
3. Checking The poultry health status properly and timely
4. Proper supply of vaccines and medicines

**Employing Specialized Employees**: The labor force of any business, industry/organization has a great impact on the operations of that very business and it is one of the factors that occur within the organization internal controllable factors.

This great poultry farming industry and business organization has set a plan in which specialized and skilled managers and other workers will be employed

**Control and Management**

In the first instance of fire, flood and death the business organization has planned to register all its works to the insurance services, in order to minimize or even obliterate some risks that might be faced in that regard.

Establishing a common understanding of the business goals among the partners.

**PRODUCTION RISK:**

Many factor from outside of the business environment and from inside as in (1) above are likely to put the industry and the whole of its productions in risk. Poultry farming has sensitive risks to weather conditions that are in the farming environment e.g. sunlight, rainfall, humidity, temperature and others can include insects’ diseases and pests.

**Control and Management**

We intend to grow disease resistant varieties of poultry that can absorb and sustain the shock of infections

We intend to use preventive means of insect and predators control such as nets to protect the chickens.

**Financial risk**:

Most risk that are related to finance result from inadequate cash flow to meet obligations which may in turn cause shut-down of the business. It may be caused by high or mortgage payments and assets or as a result of personal or production problems.

**Control and Management**

In order not to fall in trap of financial risk, Benny & co. plan the following ways:

Diversification of the business: we planned to engage in different niche of poultry farming so as to escape the misfortune. When someone have two niche involve, when one collapsed 50% of the business fail, but if you have ten niche involved and one happen to have problem, it will be only 10% that will be affected

**CHAPTER FOUR**

**4.1 VENDORS/SUPPLIERS**

They are responsible for the daily collection of the eggs, for feeding chickens and other birds as instructed by the supervisor. They are responsible for the sales of the farm produce and as well supply to hotels or other industries that are in need of their services. They are responsible for cleaning the poultry and the entire environment. They also assist in handling the chickens and other birds.

**4.2 MARKETING PLAN/STRATEGY**

We are aware that why some commercial poultry farmers hardly make good profits is their inability to sell off their chickens and eggs when they are due. In summary, we would adopt the following strategies in selling out our farm produce:

* Advertise our business in agriculture and food related magazines and websites.
* Leverage on the internet to promote our business.
* Engage in direct marketing.
* Encourage the use of mouth marketing (referrals).
* List our commercial poultry farms and egg production business on yellow pages ads.
* Introduce our business by sending introductory letters alongside brochure to stakeholders in the agriculture industry, households, hotels and restaurants as well as agriculture produce merchants.

We will implement the following Marketing Strategies upon the business transfer in the following order:

**Website Marketing Strategy**

Our website will be promoted through the use of sponsor listings and affiliate memberships [confidential and proprietary information removed]. Our site will be registered with all of the major search engines. We will

also share links with our distributors and manufacturers.

* Direct Marketing: we will personally market (sell face to face) our products to various feed stores, stables, boarding facilities, farms, clubs and race tracks.
* Customer Referral: we will provide customer incentives for direct referrals, in the form of price discounts.
* Website Marketing: we will implement our web plan and review the outcome to determine the efficiency it has on our customer base.
* Event Marketing: we will visit area livestock events to hand out flyers, business cards, and product catalogues, and to meet potential customers face to face.

**4.3 FINANCIAL PROJECTORS**

When it comes to calculating the cost starting a commercial poultry farm, there are some key factors that should serve as a guide. The different type of birds to be raised in a commercial poultry determines the total cost of setting up the business. Under financial projectors there are some major factors to be considered while raising a commercial poultry farm and egg production company.

* Sources of income.
* Sales forecast.
* Sustainability and expansion strategy.
* Check list and milestone.

In conclusion we have planned and are now ready to implement.