NAME: IBANGA EMMANUELLA MFONIDO

MATRIC NUMBER: 18/MHS07/022

PHARMACOLOGY

COURSE CODE: GST 212

ASSIGNMENT: Prepare a business plan

FISH FARMING

EXECUTIVE SUMMARY

Fish farming is a lucrative business its is also simple and can be started with small capital. Anyone with a small space can find a market within a locality can engage in fish farming. The 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 packing will also follow. The fish farming project would take approximately (N 3,000,000.00(Three million naira only). If you want to set up a fish farming business with fewer amounts say (N 500,000 or N1, 000,000 then you will not include some equipment. The pelletizing machine and dryer would enable me to prepare my own feed which will 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. The business will basically be hinged on preparing the site, acquiring two ponds, fertilize the ponds within two weeks , buy 500 fingerlings for each ponds, feed them two times a day till maturity at six months and then sale off as point and kill or dried fish of both.

OVERVIEW

Mission statement: To be self employed, create employment opportunities for others, provide protein to the populae and help save some foreign exchange foe Nigeria.

Goals and Objectives: Our goals are to have a healthy, successful business that is a leader in customer service and that has a loyal customer following. While our objective will be to have our dried and fresh 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.

Legal ownership: Our legal form of ownership is sole proprietorship and is subject to available cash but we are open to partnership at 30% share for the investor.

PRODUCT DESCRIPTION:

The production of cat fish is one business that demands care and expertise, the main expenditure in the production is the fish feed and the staff salary. It takes a life cycle of about six months to get to maturity when feed adequately. Catfish is an indigenous spice, as a result of high demand on fish. This is the market we intend to fill by taking our product (catfish) to the market

Catfish species we’ll offer

Clariasnigro-digitatus

Heteroclarias

Clariasgaricpinus

Heterobranchusbidorasis

MARKET 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.

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.

This slowdown in the economy has also greatly impacted real estate sales, which has halted to historical lows. 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.

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.

NOTE: A kilo is (N 700-3000 and above)

Smoke fish is (N1000-2500 and above)

Bulk prices :( N3500- and above)

The price of various types of our fish shall be average price and complete on quality and service. Our intended customers really make their purchase decisions mostly on price so we are better off remaining average.

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

Our customers base cuts across all religion, ages, gender, location, social class, educational level and occupation.

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 (N3M).

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 competition 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.

STARTUP EXPENSES AND CAPITALIZATION

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| --- | --- | --- | --- |
|  | PRICE(N) | QUANTITY | AMOUNT(N) |
| 10X10 feet pond | 50,000.00 | 3 | 150,000.00 |
| Fingerlings | 120.00 | 3000 | 120,000.00 |
| Feed | 200.00 | 4500 | 200,000.00 |
| Pelletizing machine | 200,000.00 | 1 | 200,000.00 |
| Dryer | 180,000.00 | 1 | 180,000.00 |
| Power generator | 600,000.00 | 1 | 600,000.00 |
| Power generation | 80,000.00 | 1 | 80,000.00 |
| Salaries | 26,000.00 | 5 | 130,000.00 |
| Contingencies | 400,000.00 | 1 | 400,000.00 |
| Total |  |  | 2,060,000.00 |