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ASSIGNMENT: Prepare a business plan on an agricultural enterprise.

BUSINESS PLAN ON FISH FARMING FOR CLINDEST FARMERS ASSOCIATION

EXECUTIVE SUMMARY: Fish farming has been a major source of livelihood in Nigeria. It is one of the major sectors of agriculture that is only fully taped for business growth, due to scarce availability of funds. Fish farming or pond production has been with us, only few people are practicing it mainly because of the materials and funds at their disposal. The importance of fisheries to Nigeria economy is indicated by its contribution to the Gross Domestic Product (GDP) BEING 5.4% (2002 FDF). Nigerians has high fish consumption figure of about 1.5m metric tons, and an annual import figure of about 700,000 metric tons. Nigeria remains the highest importers of fish and fisheries products, hence our interest in the sector. In agreement with the noble aim of Government, the following proposal is being prepared for Clindest farmers association to expand and in our fish farming.

The fish farm is intended to produce 20,000 fishes with a yearly making of N8,000,000 and net profit of N2,372,300 working for a year. The total investment cost N5,147,060. The plan is to upgrade and showcase of financial operations.

PROJECT DESCRIPTION: The main business is to engage in catfish and fingerlings production.

PROJECT ENVIRONMENT: The project environment is conducive. Catfish the main raw is fingerlings and they are stock in large quantities by the farmers of catfish. Rivers State is now very peaceful. The governments of present administration are promoting agricultural farmers across the state.

PROJECT LOCATION: The fish farm is located at Omuchi, Igwuruta in Ikwerre Local Government Area of Rivers State. The location is on the major route. There will be no problem for accessibility of buyers to the farm site.

PROJECT BACKGROUND: The Co-operatives is already in the business of farm fishing some years and the co-operatives has well trained members to manage the fish farm well. Therefore, we have a good ideal of the business. This plan is to upgrade the production of fish farming in the state.

COMPETITORS: The Co-operatives will not face so much competition, although there is so much competition and challenges. It is already on ground and the products will be priced competitively to beat competitions. Based on our market investigation there are abundant market opportunities regarding the high demand of fish in Rivers State, our sales target shall cover other surrounding States.

MARKETING STRATEGY: The product will be marketed through various outlets. These includes the market women in Okehi, Oil-Mill markets and Rumuokoro town market. Some others like Hotels and Restaurant in the state will be contacted for the distribution of the products. The product will be priced competitively to beat competitions.

SELLING TACTICS

- The product will aim to capture a significant market share of fish sales in Rumuokoro, Port Harcourt and its environs.
- The product will be sold wholesale to marketers who will resell to retailers.
- Special delivery will be made to hotel, restaurants, companies that will place orders.

OPERATION PLAN: There are ten ponds constructed and three has been stocked with fishes. We expect to stock another 7 ponds immediately we get fund or receive fund. In this pan we have investigated the possibility of producing the proposed volume of fishes in the ponds and capacity. We will examine the following aspect, the capacity, pond stocking and the pond harvest.

<u>MANAGEMENT TEAM</u>: The management committee (Board of Trustee) Clindest farmers association will manage the project and see to affairs of the co-operative society to be assisted by the following officers.

Managing director	1
Administrative/Accountant	1
Pond Attendants	2
Fish Farm Supervisor	1
Outlet Sales	3
Cleaner	2
Security men	4
Total	14

ORGANIZATIONAL STRUCTURE

General meeting
↓
Management committee
↓
Managing director
↓
Administrative/Account Officer
↓   ↓
Farm supervisor   Pond Attendant
↓   ↓
Outlet Sales   Cleaner
                     ↓
                     Security men
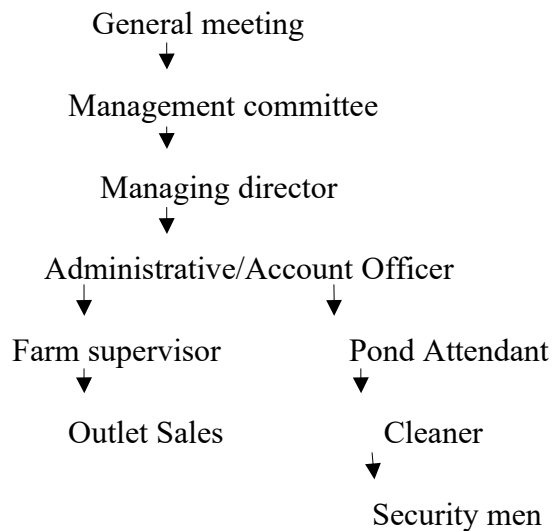
<u>CAPACITY OF PONDS</u>

There are ten pond. But we want to stock seven of the ponds at this initial stage and due to feeding. The seven ponds as follows:

A. = 9.1 by 6.1M = 30.4M² to stock 3,0000 fishes

B. = 9.1 by 6.1M = 30.4M² to stock 3,0000 fishes

C. = 9.1 by 6.1M = 30.4M² to stock 3,0000 fishes

D. = 9.1 by 6.1M = 30.4M² to stock 3,0000 fishes

E. = 9.1 by 6.1M = 30.4M² to stock 3,0000 fishes

F. = 9.1 by 6.1M = 30.4M² to stock 3,0000 fishes

G. = 9.1 by 6.1M = 30.4M² to stock 3,0000 fishes

H. = 9.1 by 6.1M = 30.4M² to stock 3,0000 fishes

I. = 9.1 by 6.1M = 30.4M² to stock 3,0000 fishes

J. = 9.1 by 6.1M = 30.4M² to stock 3,0000 fishes

A total of 20,000 fishes will be stocked an 1333 will be expected to be harvested at an average weight of 1.5kg per fish, we expect a total weight of 60,000kg of fish in 6 months doubling 120,000kg in 12 months of 2 circles.

FEEDING SCHEDULE 1st QUARTER (80 BAGS 1st CIRCLE OF THE YEAR)

Months	1	2	3
Days	1-30	31-60	61-90
Weight of fish	0.5gm	10gm	30gm
Monthly quantity(bags)	80 bags	80 bags	120 bags
Biomass(kg)	20kg	25kg	30kg
Feed size	0.3kg	0.3kg	0.5kg

FEEDING SCHEDULE 2nd QUARTER (780 bags)

Months	4	5	6
Days	91-120	121-150	151-180
Weight of fish	500gm	1kg	1.5kg
Monthly quantity(bags)	400 bags	520 bags	600 bags
Biomass(kg)	40kg	50kg	100kg
Feed size	1mm	2mm	4mm

FEEDING SCHEDULE 3rd QUARTER (240 BAGS 3rd CIRCLE OF THE YEAR)

Months	7	8	9
Days	181-210	211-240	241-270
Weight of fish	0.5gm	10gm	30gm
Monthly quantity(bags)	80 bags	80 bags	120 bags
Biomass(kg)	20kg	25kg	30kg
Feed size	0.3kg	0.3kg	0.5kg

FEEDING SCHEDULE 4th QUARTER (780 bags)

Months	10	11	12
Days	271-300	301-330	331-360
Weight of fish	500gm	1kg	1.5kg
Monthly quantity(bags)	400 bags	520 bags	600 bags
Biomass(kg)	40kg	50kg	100kg
Feed size	1mm	2mm	4mm

Make sure the ponds are reduced to 'zero life'. Fertilize the ponds after liming them for two weeks and stock after fertilizing for 14 days. The quantities of lime and fertilizer to be applied initially are shown on the table below.

Name of pond	Lime quantity	Fertilizer quantity
A	20kg(2 bags)	25kg(1/2 bag)
B	20kg(2 bags)	25kg(1/2 bag)
C	20kg(2 bags)	25kg(1/2 bag)
D	20kg(2 bags)	25kg(1/2 bag)
E	20kg(2 bags)	25kg(1/2 bag)
F	20kg(2 bags)	25kg(1/2 bag)
G	20kg(2 bags)	25kg(1/2 bag)
H	20kg(2 bags)	25kg(1/2 bag)
I	20kg(2 bags)	25kg(1/2 bag)
j	20kg(2 bags)	25kg(1/2 bag)

QUARTERLY DISTRIBUTION OF 2,000 BAGS OF FEEDS FOR THE 2 CIRCLE OF THE YEAR

Circle	I	II
Months	1-6	7-12
Days	1-180	181-360
Quantity of feed	1,020 bags	1,020

Cost of feed	4,080,000	4,080,000
Weight of fish	60,000kg	60,000kg
biomass	275kg	275kg

APPLICATION OF FEED

1. Divide the daily feed quantity into twenty (20) equal parts.

   I.   One part to pond A

   II.   One part to pond B

   III.   One part to pond C

   IV.   One part to pond D

   V.   One part to pond E

   VI.   One part to pond F

   VII.   One part to pond G

   VIII. One part to pond H

   IX.   One part to pond I

   X.   One part to pond J

FEEDING SCHEDULE SUMMARY

Total feed for two circles   -   680 bags

Cost of feed   -   2,720,000

Feed quality   -   40% protein level

Feeding rate   -   20% of body weight

Feed consumption of one fish -   1.5kg

SALARY STRUCTURE

S/N	POST	NO	MONTHLY SALARY
1	Managing director	1	100,000
2	Accountant	1	80,000
3	Fish farm supervisor	1	60,000
4	Outlet sales	3	60,000
5	Pond attendant	2	40,000
6	Cleaner	2	30,000

7	Security men	4	100,000
	TOTAL	14	N470,000

COST OF EQUIPMENT AND MACHINERIES

Land	N
Pond construction	N
Two boreholes	N200,000
Two water pumping machines	N250,000
Two sorting tank	N100,000
Fish dryer	N350,000
Generator	N100,000
Feeds	N272,000
Fish fingerling 20,000 at N50	N1,000,000
Fertilizer and lime	N333,000
Net	N333,000
Contingency 10%	N437,000
Total	N4,807,000

WORKING CAPITAL

S/N	SOURCE		AMOUNT
1	Salary	Per month	156,667
2	Fuel	Per month	66,667
3	Utilities bills		100,000
4	Miscellaneous		50,000
	TOTAL		N340,000

SUMMARY OF PROJECT COST

1. Equipment and machineries   - N4,807,000
2. Working capital   - N340,000
3. TOTAL   - N5,147,000

FUNDING OF THE PROJECT

The project shall be funded through agric loan from bank and equity contribution as follows:

S/N	SOURCE	CONTRIBUTION N:K
1	Equity	147,000
2	Agric loan from Bank	5,000,000
	TOTAL	5,147,000

DEPRECIATION OF ASSETS, MACHINES AND EQUIPMENT

S/N	ASSETS	RATE	AMOUNT	DEPRECIATION
	Machineries and equipments	10%	4,807,000	4,807,000
	TOTAL			N4,807,000

SALES PROJECTIONS

S/N	SOURCE	WEEKLY PROJECTIONS	MONTHLY PROJECTIONS	ANNUAL PROJECTIONS
1	Cat fishes	166,667	666,667	8,000,000
	TOTAL	166,667	666,667	N8,000,000

CASH FLOW ANALYSIS

S/N	PARTICULAS	YEAR 0	YEAR 1	YEAR 2	YEAR 3
1	Grant	5,000,000			
2	Equity	147,000			
3	Cat fishes	-	8,000,000	98,333	1,066,766
4	Sub-total	5,147,000	8,000,000	5,473,667	6,140,333
5	machineries	4,807,000	4,807,000	5,473,667	6,140,333
6	Working capital	340,000	340,000	666,667	1,000,000
7	Sub total	5,147,000	4,147,000	6,140,333	7,140,333
8	Gross profit	-	3,853,000	319,367	3,526,333
9	Less depreciation	-	4,807,000	541,367	614,033
10	Net profit	-	237,230	264,563	291,230

PROFITABILITY ANALYSIS

Profitability ratio= $\underline{\text{Net profit}}$ x   100%

Investment