VEE’s POULTRY FARM. FEASIBILITY REPORT

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Executive Summary

Poultry farming is a branch of agricultural farming in Nigeria. Chicken production is a serious business in Nigeria and all over the world. More people are becoming conscious of the need to consume lean, rather than meat for health reasons.

Poultry farming is the second most considered sector which is under animal husbandry in the agricultural sector. It is easy to run, it requires less expertise as well as less capital to run.

VEE’s poultry farm-is a world class and licensed poultry farm and egg production company that is based on the outskirt of River State, Port-Harcourt; Nigeria. We have done our detailed market research and survey and have been able to secure about eight plots of land to start up our poultry farm and egg production business. Our poultry farm is going to be a standard commercial poultry farm therefore, we will be involved in marketing chicken, eggs and livestock feeds.

Objectives

Our objectives are to breed the best chickens which will produce the finest eggs as well as produce the best feeds for livestocks while producing other raw materials such as feather for other industries. To gain fame over the globe with our poultry farm thereby attracting customers from every nook and crannies of the world.

MISSION STATEMENT

VEE’s poultry Farm aims at promoting the growth of poultry to meet the demands of customers.

The mission of my enterprise is to provide a hundred percent services to my customers, providing them with quality products and most especially at affordable prices, along with taking proper care of the birds.

VISION STATEMENT

Our vision is to be the leading poultry brand in Delta State.

The Vision of my enterprise is to reduce the hunger rate in the country step by step in any way that it can because hunger is one of the biggest issues in the world.

KEYS TO SUCCESS

Vee’s Poultry Farm will work with the following to attain success:

• A good business location.

• Excellent products and services that will build our customers loyalty

BUSINESS OVERVIEW

COMPANY OWNERSHIP

VEE’s Poultry Farm is a privately owned and managed Poultry farm by Ohiokhara Ayomide that intended starting small in the outskirts of Ikorodu Lagos State with hopes to expand in order to compete favorably with leading poultry farmers in Nigeria. At VEE’s poultry farm we will ensure that we hire people that are qualified, hardworking, creative and ready to work to help achieve a prosperous business.

LOCATION

After proper survey and construction the business was citied in Lagos state. The location is close to the market to enhance access to our target customers.

LEGAL STATUS

Our company is yet to be registered with the corporate affairs commission and other relevant agencies

MARKET AND INDUSTRY ANALYSIS

BENEFITS OF Poultry FARMING

• Poultry is one of the most popular animal product in the market.

• Poultry is one of the highest source of protein and a great source of mineral (Omega 3).

• Poultry grows very fast ensuring you sell within a short period of time.

• Poultry does not cause any environmental hazard.

CHALLENGES OF Poultry FARMING

• Setting up a poultry farm is capital intensive and requires much capital input.

• Poultry is very sensitive to manage as a slight mistake could cause death resulting in

massive loss.

MARKET SEGMENTATION

The fish industry has greatly benefited from campaigns and advertisement on the health benefits of fish to the masses as a major source of protein. The advancement of technology has helped the fish industry as farmers can now comfortably predict and produce the quantities of fish they want to produce per time from their hatchery.

TARGET MARKET

Our target market are the end consumers of the fish. Every household consumes fish, in essence a fish farmer should be able to sell his/ her produce to a large number of people. Hence, our target market includes:

• Households

• Individuals

• Hotels

• Restaurants and Fast Foods

START UP SUMMARY

This involves the processes at every stage. They include:

• Stage 1:

This involves the construction of concrete poultry as well as the piping and fencing of the poultry

• Stage 2:

When the construction has been done, the chicks are brought in so that feeding and other breeding activities can start.

• Stage 3:

Provision of water and other conditions needed for the growth of the poultry .

• Stage 4

Harvesting the matured hens turkeys guinea fowl eggs and feathers-for sales to the general public

. COMPETITION

VEE’s poultry Farm Ltd. is fully aware of the great competition in selling poultry. Thus, we have been able to highlight some of the factors that can give us an edge in the market place. Some of them are:

• Effective and reliable processes.

• Healthy relationships with agricultural extension workers.

• Excellent management including welfare packages.

SALES AND MARKETING STRATEGY

We have noticed some poultry farmers hardly make profit due to their inability to sell off as at when due. Our sales and marketing team will be recruited based on their vast experience in the fish industry and they will be trained on a regular basis so as to be well equipped to meet their target and overall business goal of VEE’s poultry Farm.

We will adopt the following to get to the peak:

• Introducing our business by sending out brochures to hotels, restaurants and agricultural industries.

• Make use of the internet to promote our business.

• Engage in direct marketing.

• Encourage referrals through our customers.

• Attend seminars and workshop trainings related to agriculture and food business

PRICING

Pricing is one factor that will help a poultry farmer sell his farm produce. That a poultry farmer makes profit is dependent on their strategy while some of the factors are beyond their control. Example: If the climatic condition is unfavourable and if there is natural disaster at the location where we have our poultry farm, then it will affect the prices of your chickens and eggs. To get the right pricing for your farm produce, then ensure to pick a good location for commercial poultry, choose a good breed that will guarantee bountiful harvest, cut the cost of running your poultry farm to the barest minimum and try to attract buyers to your poultry farm to avoid taking them to the market to source for buyers. For example; if my competitors are charging nine hundred naira per crate for the same size of egg, I will charge eight hundred naira.

SWOT ANALYSIS STRENGTHS

• We have healthy relationship with agricultural extension workers in the industry

• We have some of the major tools and equipment that will help us raise and produce fish

with less work involved.

WEAKNESSES

• We are new in town

• It might take us some time to attract big time customers.

OPPORTUNITIES

• There are many hotels, restaurants and businesses that cannot do without daily supply of fresh fish.

• A successful fish farming business ensures food security.

THREATS

• Bad weather, diseases and unfavorable government policies

• Arrival of a competitor in the same location

ECONOMIC ANALYSIS

Economic trends such as demand and supply will determine the sustenance and profitability of the business. Also inflation rates will affect the way we pay our employees and the price of our products.

POLITICAL ANALYSIS

This includes government policies concerning inspection by ministry of health and organizations like NAFDAC.

CULTURAL ANALYSIS

A good technical infrastructure would lead to better production and hence lower costs.

TECHNOLOGICAL ANALYSIS

Technology will mean more effective business marketing

FINANCIAL REPORT

COST PRODUCTION ANALYSIS

|  |  |  |  |
| --- | --- | --- | --- |
| Labour cost | Salary monthly | No of personnel | Total |
| Farm manager | #40,000 | 1 | #40000 |
| Farm consultants | #5000 | 1 | #5000 |
| Farm attendant | #15000 | 3 | #45000 |

The total sum, 90,000 will be spent as salary monthly with a total number of 5 staff working in the farm

INSTALLATION COST ANALYSIS

|  |  |  |  |
| --- | --- | --- | --- |
| Items | Cost | Number | Total |
| Construction of poultry | #2000000 | 10 | #2000000 |
| Generator | #200000 | To the entire farm | #200000 |
| Sinking of borehole | #150000 | 1 | #150000 |
| Fencing of poultry | #750000 | 10 | #750000 |
| Labour | #750000 | The entire work lab our | #750000 |

The whole farm construction will cost us ₦3,850,000.

COST OF CONSTRUCTING EACH Poultry IS:

Each pond is 3m x 2.5m by 14m. Each pond consumes 210 blocks and each bag of cements for 30 blocks.

Hence, 210 x 10 = ₦2,100

2100/30 = 70 bags of cement needed

1 bag of cement =₦ 2,500

70 bags of cement = ₦2,500 x 70 = ₦175,600

1 trip of sand = ₦20,000

3 trips of sand = ₦20,000 x 3 = ₦60,000

10 tons of gravel = ₦50,000

Cost of labor = ₦150,000

Cost of plumbing (inlet and outlet) = ₦100,000

Cost of borehole/ treatment = ₦150,000

Cost of high breed chick = ₦20 x ₦10,000 = ₦200,000 Cost of feeding from day 1 to maturity stage = ₦600,000

1 bag of feed costs: ₦4,500

|  |  |  |
| --- | --- | --- |
| 1st month | 10 bags | #45000 |
| 2nd month | 20 bags | #90000 |
| 3rd month | 30 bags | #135000 |
| 4th month | 40 bags | #180000 |
| 5th month | 50 bags | #225000 |
| 6th month | 50bags | #225000 |
| Drugs |  | #10000 |
| Total |  | #900000 |

Estimated profit

At the end of the production period, that is 6 months fish is meant to attain 1.7kg of body weight. The average price in the market is 850. We are raising 10,000 fishes we are expecting 80% of 10,000 to attain 1.7kg, while 20% may not attain the required body weight due to:

• 5% mortality

Mortality refers to the number of deaths due to diseases. We have estimated a 5% mortality out of 10,000 fishes we are breeding.

• 10% cannibalism

Cannibalism refers to the act by which bigger fishes eat the smaller ones and this can be prevented by sorting out the larger ones from the smaller ones.

• 5% may not attain natural table size.

|  |  |  |
| --- | --- | --- |
| Worker’s salary | #90000 | #540,000 |
| 10000 chicks | 20each | #200000 |
| Drugs | For prevention of diseases | #10000 |
| Feed |  | #900000 |
| Fueling Generator/ Maintenance | For watering of pond | #200000 |

Therefore, total production cost is ₦1,850,000 and 80% of our fishes expected to attain 1.7kg each.

1kg costs 500, 1.7kg will cost ₦850

8000 x 850 = ₦6,800,000

Sales = ₦6,800,000

Therefore, profit = Sales – Total production costs ₦6,800,000 – ₦1,850,000 = ₦4,950,000

Profit= ₦4,950,000

Therefore, the total profit after every 6 months is about ₦5,430,000, we can easily observe that in a year there will be two major harvesting periods.

Profit after two harvesting seasons will be: 1st harvest = ₦4,950,000

2nd harvest = ₦4,950,000

Profit = ₦9,900,000

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