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MATRIC. NUMBER : 18 / LAW01 / 006

COLLEGE : LAW

DEPARTMENT : LAW

COURSE CODE : G S T 212

COURSE TITLE : INTRODUCTION TO ENTREPRENEURSHIP

QUESTION: Using a company or business of your choice, write a good and customised business plan, covering all relevant aspects and analyses.

MAX POULTRY AGRIBUSINESSPLAN

Confidentiality Clause

The undersigned reader acknowledges that the information provided in this business plan is a confidential intellectual property; therefore the reader agrees not to disclose it to a third party without the express written permission of the promoters of the proposed business.

It is acknowledged by the reader that information furnished in this business plan is in all respect confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by the reader, may cause serious harm or damage to the promoters of the proposed business.

Upon request, this document is to be immediately returned to the promoters of the proposed business

Signature:

Name:

Date:

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EXECUTIVE SUMMARY

MAX Poultry Agribusiness venture is an agricultural-based business which is a part of the poultry industry. The Nigerian poultry industry has an estimated gross profit of ₦80 billion (\$600 million) and comprises approximately 165 million birds, which produced 650,000mt of eggs and 290,000mt of poultry meat and has enjoyed increase in growth tremendously over the years. From a market size perspective, Nigeria's egg production is the largest in Africa (South Africa is the next largest at 540,000 MT of eggs) and it has the 2nd largest chicken population after South Africa's 200 million birds.

It is a fact that Nigeria presently consumes 1.5 million MT of frozen chicken annually. As at 2014, the locally produced chicken was estimated at 300,000MT, a capacity utilization of 46 percent in an industry that currently boasts of a 650,000MT installed capacity. . In the same year,

1.2 million MT of frozen chicken, valued at N660 billion (equivalent to \$2.75 billion) was imported.

Looking at this statistics, it shows that the demand for poultry product is so high and we are unable to meet demand locally. With the ban on importation of poultry products into the country, a huge market has been created for smart entrepreneurs to tap from this. Due to popular demand from young and aspiring entrepreneurs that have been seriously looking for funds and were asked to submit a business plan, I have decided to create a standard poultry farming business plan that covers rearing and selling of chickens, eggs and poultry waste/fertilizer

DESCRIPTION OF THE VENTURE

Poultry farming has proven to be a very lucrative business not only in Nigeria but in the world at large where it is practised. Chickens, the most common poultry birds, are one of the major sources of animal meat in Nigeria, aside from pork and fish. Poultry farming / business offer an opportunity for poultry farmers to earn steady income and also provide employment opportunities for countless number of men and women while still serving as a source of food production in the long run.

One of the major customers for poultry farms in Nigeria are the major fast-food companies like Mr. Biggs, Tantalizer, Tasty-Fried Chicken and UAC followed by hotels, restaurants and then house hold consumers of chicken. The high demand for Chicken meat, egg and other poultry products has led to an increase in and the spring up of poultry farms in many parts of the country.

The unarguable fact that starting one's poultry farm/business offers immense financial benefit both in the short and long run has caused many individuals, of which my diligent self is a part of, to indulge in this very lucrative business idea.

Poultry Farm business plan in Nigeria is most likely a standout amongst the most lucrative businesses in Nigeria particularly when it is setup correctly. This part of animals farming exhibits one of the finest opportunities for business people to make huge profit.

INDUSTRY ANALYSIS

Poultry refers to all birds of economic value to man, examples include chickens, pigeon, duck, pheasant, quail, guinea fowl and recently ostrich. Poultry industry is threefold as it is divided into the following sub-industries:

- Egg Production Industry(production)
- The Broiler Industry(breeding)
- The Day Old Chick Supply Industry

Poultry industry in Nigeria occupies a prominent position as a major source of animal protein supply to the citizen. Over the years, the growth of poultry industry has followed a pattern closely dictated by the economic fortunes of the countries. USDA,(2013) reported that commercial poultry production in Nigeria was estimated at about USD 800 million. Poultry sector contributed about 25% of the agricultural domestic products of the Nigerian economy(FAO, 2010). USDA,(2013) currently rated Nigeria as the leading country in Africa with respect to eggs production, but fourth in broiler production, this report indicated that Nigeria still have to improve on their production with respect to broiler birds.

Poultry production is gaining popularity in the developing countries due to its role in bridging the protein malnutrition in their diets, economic empowerment of the resource poor segment of the society (Wishart,2002). Poultry production is practice in all levels ranging from subsistence to large scale commercial operations. Poultry meat and eggs are the most consumed animal protein; unrestricted by any religion or culture in Nigeria. It was recorded that the poultry industry contributed about 25% of the country's Agricultural GDP (FAO, 2010).Nigeria presently produces above 550,000mt of poultry meat per annum and 700,000mt of eggs according to (FAO, 2010). Despite this, Nigeria is far from meeting her domestic demand when compared with developed countries that involved in poultry production. According to FAO, (2010) It was reported that poultry expansion was 3.2percent against global increase of 2.2 percent; Nigeria supply had increase beyond her domestic borders. Countries Cameroon, Togo, Benin, Benin Republic, Niger and many of her neighbouring Countries are been supplied, but despite that Nigeria supply with respect to broiler production has not been consistent compared to layers production. The poultry industry has a large capacity in Nigeria to create employment. The potential in Nigeria is great and only the farmers that are well being can actually fill the gap and harness these opportunities. Poultry offers the greatest scope for increasing the quantity and

quality of animal protein. Poultry meat and eggs account for about 30% of total livestock output in Nigeria, of which eggs account for over 80 percent. Commercial poultry is well established in the country with substantial infrastructure (poultry houses, feed mills, hatcheries and processing plants) already on ground. However, most of these assets became idle for reasons associated with high cost of strategic inputs and working capital as well as competition from cheap imports. The embargo placed on the importation of poultry products in 2002 by the Federal Government is aimed at encouraging local production. The challenge therefore, is how to produce poultry products at sustainable levels in order to bridge the protein supply gap in the nearest future.

MARKET ANALYSIS

Starting a poultry farm in Nigeria is a good business decision because during recession Agricultural business tends to move more in the market compared to other market items. Also the moves by current administration stopping business organizations from accessing FOREX to aid importation into Nigeria has also aided local demands for local products. This event has led to huge business opportunities in poultry farming. It is one thing to begin poultry cultivation business, and another thing to begin an effective poultry farm business. A poultry farmer automatically becomes a poultry “business” man or lady, contingent upon the kind of poultry markets he targets and the sort of poultry bird he engages in breeding .

In the poultry farm business there are two fundamental segments: Layers, which are chickens raised to create eggs, or broilers which are chickens raised for meat. Whatever poultry farming area you pick, you need to settle on dependable administrative and budgetary choices to make your poultry farming business a beneficial one.

1} Land, capital and equipment: One cannot start and run a successful poultry farm without Land or chicken pen. You will need chicken building for your poultry farm whether it is chicken pen, battery cage, free-range all of these need land space. You will also need loan for poultry farming or capital outlay of any sort. Poultry farm equipment is another thing you will need. Poultry farm equipment pdf

2} Choice on how to best raise poultrybirds : There are two primary approaches to raise poultry. Customary approach which is having chickens restricted to barns that are temperature controlled. Free range poultry farm approach permit your chickens to keep running of the farm to carry on as natural as possible.

3} The sector of poultry business: There are two major sector of poultry business are poultry birds for breeding (broilers) which are raised for meat and for egg production (layers). In any case, there are likewise alternate segments of the business that can be sought after. Eggs which are removed from human consumption (these can be from both broilers and layers) are brooded and the chicks brought forth and raised until they are at the correct age to be sold to farms to be raised as layers or broilers.

4) Niche market discovery : This refers to the discovery of potential customers for poultry products through the design of a poultry farm website that could promote poultry products. The importance of poultry farming to the national economy cannot be overemphasized, as it has become a popular agricultural industry for the small holders that have great contribution to the economy of the country. The poultry farming profession has assumed greater importance in improving the employment opportunity and animal food production in Nigeria..

OPPORTUNITIES IN POULTRY FARMING

According to the Food and Agricultural Organization of the United Nations (FAO), “growing populations, economies and incomes are fuelling an ongoing trend towards higher consumption of animal protein in developing countries.” FAO forecasts that Nigerians are expected to consume two thirds more animal protein, with meat consumption rising nearly 73%. This growth in protein consumption will drive demand for meat and eggs.

OUR CHALLENGES:

Just like any other company, in order to remain relevant in whatever field of play you operate, growth and expansion are essential. We have come to the realization of the fact that as a company, to get beyond the level we are currently, we must seek for external funds to up our next level of growth and development. This is vital as we will like to become more relevant,

have more control of price, increase the share of the market we currently control, and finally expand our production arm so as to be able to meet up with our current shortfall in demand

STRATEGIC HUMAN RESOURCE

1. Poultry Production Manager : The production manager of the Max Poultry Agribusiness will be a diploma degree holder in agriculture (rural business management). His duties include livestock health and production; physical and natural resource management; staff management; business planning and operations.

2. Poultry Business Manager : He is a holder of Advanced diploma in agriculture. He has the primary responsibility for ensuring that the poultry production enterprise is successfully managed. These responsibilities include whole farm planning and management; managing production systems; marketing of products; strategic planning; business management

3. Farm Hand – means an employee who collects and grades eggs suitable for producing table birds, cares for sheds and litter, maintains egg records, culls flocks of poultry as required, removes waste product, drives and/or operates farm plant and equipment and includes an employee engaged in pick-up work and associated general duties as a farm hand.

4. Hatchery Assistant : He is an employee who rotates eggs in incubators, checks eggs, undertakes sexing, beak trimming, sorting and grading eggs and day-old poultry, fumigation, vaccination, cleaning and sanitization of hatchery incubators, hatchers and associated equipment, as well as any work undertaken by a farm hand.

5. Stock Hand : is an employee other than a hatchery employee or an employee engaged in pick-up work, who for a period of six months has been, and is substantially engaged in, actually handling livestock. A stock hand shall also undertake any task undertaken by a farm hand. A stock hand may also operate a bobcat as part of the general duties. Handling livestock means skilled vaccinating other than in a hatchery, skilled beak trimming other than in a hatchery, grading (i.e., scientific evaluation for strain improvement) and selection of

birds by actually physically lifting each bird for examination, artificial insemination and other tasks where a live bird is physically lifted.

Farm Maintenance Worker – means an employee who performs pipe-fitting work, tack welding and other similar minor maintenance work which involves the significant use of tools.

6. Farm Transporter : is an employee whose principal duties are centred on a poultry farm or hatchery and who may work as a stock hand, farm hand or hatchery assistant and who, in addition, transports livestock and/or eggs from farm to farm and from farm to hatchery or return and related activities, or removes and transports litter and sawdust for poultry farms. It shall also mean a qualified front end loader operator.

FINANCIAL POTENTIALS / PLAN

Profit in poultry farm business: Following negotiations, a day old chick will be purchased at N200. In a period of two years, the layer is expected to produce eggs, the company expects to collect an average of 730 eggs from a single layer and would later sell the layer at N900 and the eggs sold at N20 per egg. Hence the company would make a total of N15, 500 from the single layer.

The company plans to start with 1000 layer chicks and 500 broiler chicks. The broiler will later be sold after four months at N2000 each upon maturity. The company intends to sell all the broilers within a month after maturity and to restock with another 500 day old broiler chick. Therefore after two years the company would have sold about 3500 broilers and to realize a total of N 7,000,000 from broilers only and a total of N15, 500,000 from layers. The company expects about 10% lost due to death, hence the company would realize a collective total of N17, 550,000 after two years of operations with proper management procedure.

The company is currently seeking for N 2,860,000 to cover the cost of day-old- chicks, materials, equipment and initial working capital of the company. We have provided a detailed breakdown of the application of this fund in the Finance section of this document. The longest lead item is the renting of a warehouse for two years and the equipping of the poultry house since the company intends to practice the industrial systems of production. In essence, operation is expected to start within 20 day. Poultry farming is one of the most important farming in Nigeria

because it provides employments for job seekers and thereby creating a great business opportunity for entrepreneurs and a good poultry farmer can earn over N20 million in a year. Poultry farming has lots of benefit when compared to other agricultural practices and that is why a good poultry farmer like I said earn over 20 million yearly just from poultry production in Nigeria but this profit depends on the capital you start with.

In poultry farming there are different breeds of poultry birds, they are, Layers, Broilers and Cockerels. The fastest growing breed is the Broilers; they can mature within 12 weeks this can only happen when you feed them very well. As for the Cockerels, they grow fast but not as fast as the Broilers but one good thing about them is that they are stronger and can survive bad weather more than Broilers and Layers. Unlike Snail Farming, Poultry farming is capital intensive if you can to do it big time and that is why you need a good Poultry farming Business Plan in Nigeria before you can go into this type of business.

Key Areas To Having A Successful Poultry Farming

Location — The location of the plot of Land is very important, poultry farming is not allowed to be among populated area because of the smell so if you have a good plot land in a good location far from residents it's a good start.

Building — this is another key are in poultry farming, the house for your poultry birds must be well constructed in a way that the ventilation can be controlled.

CONCLUSION

From the above analysis, the long-term solvency, efficiency and stability of the firm is exceedingly promising. These are set of ratios that reassure investors of the sustainability of the venture. The viability and feasibility of this project has been tested in the above evaluation, and it is viable and worthwhile enough to have resources committed to and invested in it.

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