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BUISNESS PLAN FOR A POULTRY AGRICULTURE BUISNESS

PROJECT IDENTIFICATION/SPECIFICATION

The desired product to be produced is **A POULTRY FARM**, and the name of the company is ***OJJI VENTURES***. Now a poultry farm is a space or opening where birds, mainly chickens are raised. 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 opportunity. 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.

The federal government ban on the importation of processed chicken or frozen chicken in Nigeria, without adequate arrangement for alternative source of supply helped increase the prices of processed chicken by over 75% and has since been the driving force behind the successes recorded in the agriculture.

OJJI VENTURES is a company specializing in the farming and supply of broilers and layers from day old chicks. Broilers are usually produced for meat and Layers for eggs. This poultry farm business plan doc covers the ideal poultry farming strategy, poultry hatcheries strategy, poultry diseases and cure, the poultry temp, Poultry egg production, Analysis of the profit in poultry farm businesses for business people to make huge profit.

SELECTING POULTRY TYPE/NICHE

The poultry industry is a broad niche. There are many sub-sectors in the poultry industry which you can tap into. When poultry farming is mentioned, a lot of people take that to mean chicken rearing or turkey rearing alone but poultry farming is a very wide business with different aspects. Below are niches in the poultry business:

- Egg production (Layers breeding)
- Meat production (Broilers breeding)
- Chicken breeding (Hatchery)
- Poultry feed production
- Poultry equipment manufacturing
- Egg and meat processing, packaging and marketing
- Poultry marketing and consultancy

So, you see that poultry farming is very wide. Therefore, you have to choose your area of specialization. Of course, if you have enough capital and the technical know-how nothing stops you from doing all the businesses under poultry farming but it is always better to go back to the drawing board, find out which aspects of poultry farming are more profitable in your area in terms of demand and income and then select the most attractive aspects to concentrate on. In this case as stated above, OJJI VENTURE specifies on egg and meat production; that is Layers and Broilers breeding

What Type of Bird Will You Be Focusing On?

Another important factor to consider is the type of birds you wish to rear. There are several types of birds that you can rear. Poultry farming can further be classified into the types of birds:

- Domestic fowl or Chicken (Broilers and layers).
- Turkey
- Guinea fowl
- Pigeon
- Duck
- Goose
- Peacock
- Quail

The decided bird for cases study is the DOMESTIC FOWL or CHICKEN.

Start-up Capital Investment

The poultry farming business is capital intensive; depending on the scale, location of your farm and the type of management technology used. A small scale poultry farm being run behind your house may require a capital of between N190,000–N600,000. A medium scale poultry farm may require N800,000 – N100,000,000 and a large scale poultry farm may require a start-up capital of \$10,000 and above. Like I stated earlier, scale is directly proportional to capital.

Poultry Location

A good location is vital to the success and profitability of your poultry farm. An ideal poultry farm should be sited where there's a large availability of cheap land and at the same time; should be close to areas with high population density. It's not advisable to site your poultry farm within a residential area because of the offensive odor it produces.

While it is smart to start your poultry farm in a place where the odor and noise would not disturb other people, you should also consider the security factor. Lands in sparsely populated settlements are cheap and you would have fewer issues with community disturbance and zoning but it may be far from your market and buyers. You need to find a balance, look for a place that is favorable to you and would also be favorable to your customers at the same time.

PREPARATION/ANALYSIS

Now this stage or period refers to all the preparation involved in the startup of the business plan. This stage includes approval in the listed;

Housing your birds

Another important factor to consider is the poultry housing system and fencing options. Poultry housing system determines up to 40% of the rate of success you would achieve in poultry farming. A good housing system is very important for your poultry farm. The housing system commonly used in poultry farming are:-

Extensive system: Range and fold unit

Semi Intensive system: Standard semi intensive unit and straw yard

Intensive system:

i. Deep litter, ii. Wire and slated floor, iii. Straw yard, iv. Battery cage

a. Free Range System:- Under free range poultry farming system, chickens are allowed to roam around on their own in search for food. This system cannot be used for commercial poultry farming because of the high level of risks involved.

b. Deep Litter System:- This system involves spreading wood shavings or saw dust on a concrete ground with the chickens placed on the floor and the dust serving as a 'cushion' for them. The dust is changed regularly, either by removing and replacing or by layering.

Deep litter system is used by a lot of poultry farmers because it increases efficiency and makes it easier to manage large flocks of birds but it allows for a faster spread of diseases when there is an outbreak and also makes it difficult to fish out unproductive birds.

c. Battery Cage System:- As for the battery cage system, metal cages are constructed inside a building to house the birds. The cages are usually split into different compartments to house small groups of birds. The cages also contain feeding and water troughs as well as laying nests. Bird droppings fall on the floor and are cleaned mechanically by a scraper. This method is considered to be the most effective for egg production but the major downside of this method is that it is more expensive to construct and maintain compared to other forms of poultry housing systems.

If you are running a poultry farm for commercial purposes and you intend getting the best out of the business; with respect to high birds' productivity and efficiency. Then you should consider housing your birds using the intensive system. Lastly, your poultry housing structure should be built at a particular angle; taking sunlight and wind into consideration.

In the case of OJJI VENTURES an intensive system is being used as it is the most developed and most technologically advanced stage.

Poultry equipment and appliances

There is a very long list of equipment and facilities to put in place in order to fully manage a poultry farm. You would need to construct a house for the birds, provide feeders and drinkers, a good waste disposal system, source of water, lightening and heat, egg crates and storage space for keeping feed and eggs.

Therefore, a list of all the items that would be needed is made, the prices, found out, and compared with different prices to further give an idea of the costs of setting up the poultry farm.

The following equipment may be needed for the **OJJI VENTURES LAYERS AND BROILERS POULTRY FARM** and their uses:

- Feeders
- Drinkers
- Perches
- Nests
- Crates
- Lighting system

- Waste disposal system
- Incubator
- Heaters or brooders
- Egg tray
- Cages and coops

Feeding your birds

Feeding is a major aspect of poultry farming. In fact, about 70% of your expenses would go towards poultry feeding. Therefore, it is imperative to figure out the feeding aspects of business before you go into it. There are two ways to go about feeding in poultry farming:

- ✓ Producing your feeds by yourself
- ✓ Buying already-made poultry feeds

Since OJJI VENTURES is a large scale business, PRODUCTION OF FEEDS BY ONES SELF is the best method of feeding. Feed could easily be made by purchase of equipment, since the main aim of business is maximization of profit, the owner of OJJI VENTURES can easily gain by selling the produced feed. It is also helpful for the owner as the right feeding formula is used.

Poultry Farm Staffing and Manpower

Operating a poultry farm is not labor intensive if the use of technology is employed. With respect to staffing, the number of manpower needed is also dependent on the size of your farm. But some must haves should be admin officer or manager; who will oversee the day to day running of the business. The manager can also double as the accountant cuts down cost.

A personnel who will reside permanently in the farm to monitor and see to the well-being of your birds is employed. A security personnel that will monitor the inflow and outflow of people around your farm; and most importantly, guard against theft is employed.

APPRAISAL

Accounting- Taking account and record keeping aspects of their business for granted. Poultry farming is just like any other commercial business out there and for you to track your performance and productivity, adequate records must be kept.

Business Evaluation Of Poultry

This evaluation is based on birds i.e. layers and broilers (layers are those birds that lay eggs while broilers don't lay egg). This evaluation will be based on 5% normal loss i.e. at the process of taking care of the day old chicks, it is possible to lose 5% of the birds to sickness. Therefore if we start with 1000 birds, it is possible for us to lose 5% birds at the process of rearing them. "while broilers if we start with 400 birds it is possible for us to loss 5% birds to diseases at the process of rearing them.

➤ Layers

If layers are been rear, it takes 18 weeks to start laying egg, if we start with 1000 birds and we loss 5% of it so we have 950 surviving layers and with proper management of feeding and other maintenance of the bird it is possible to get 90% egg production that is 855 per day and 5985 pieces of egg every week. If we loss 1% of the egg that is 60 pieces every week so we have 5925 pieces p/weeks. 197 crates of eggs every week and crate of egg is sold accordingly to its size.

Small size N500, Medium N600, Big size N700. Assuming we use medium size, that is N600 which result to N118500 sales of egg every week.

After laying eggs for 52 weeks (12months) we dispose the layer and it will be sold at the rate of N700 per layers

Therefore, before changing the stock we might have made N6,162,000 from sales of eggs and N665,000 from the disposal of old layers making a sum total of N6,827,000 for the period of 52 weeks (one year)

➤ Broilers

Broilers do not lay eggs but grows to table size when they are from 8 weeks old upward. We are project for 400 birds of broilers and if we have 380 surviving birds sold at the rate of N1,500 each, making a total sales of N570,000 for the period of rearing the broilers. Making it total sales of (570,000 x 3) N1,710,000 for period of 12 months

Total Sales expected for 12 months.

Layers	N6,162,000
<u>Broilers</u>	<u>N1,710,000</u>
<u>TOTAL</u>	<u>N7,872,000</u>

CAPITAL EXPENSES

2 plots of land @ N150,000	N300,000
Block 2000 pcs @ 110	N220,000
Cement 60 bags @ N1800	N108,000
Cement Carriage	N3,000
Woods	N151,700
Roofing Sheets	N126,000
Roofing Slate	N25,000
Ceiling Slate	N15,000
Reggie's	N7,500
Nails	N12,000
Net 15 bundles @ N4000	N60,000
<u>Iron door</u>	<u>N43,000</u>
<u>TOTAL</u>	<u>N1,071,200</u>

SANDS

Stone Big 2 tipper @ N25,000	N50,000
Sharp sand (Mayans)	N20,000
<u>Soft Sand</u>	<u>N22,000</u>
<u>TOTAL</u>	<u>N92,000</u>

TOOLS

Day old feeders 30pcs @ N120	N3,600
Day old Drinker 15pcs @ N200	N3,000
Feeders 60pcs @ N550	N33,000
Drinkers 12pcs @ N2500	N30,000

Shovel & Head pan	N2,000
Thermometer (Digital)	N8,000
Scale (Digital)	N10,000
Geepee Tank 1500litres	N23,000
Geepee Tank 500 liters	N14,000
Nylon 7 pcs @ N700	N4,900

WORKMANSHIP

Carpenter	N65,000
Bricklayer	N80,000
Miscellaneous	N130,000
TOTAL	N275,000

Business Registration N20,000

PRODUCTION

1000 pullets @ 140	N140,000
400 broilers @ 130	N52,000
	N192,000

OPERATIONAL EXPENSES

Feeds, Vaccines & upkeeps	N1,330,000
Salaries and stationeries	N240,000
TOTAL	N1,570,000

SUMMARY

Capital expenses	N1,781,700
Operational expenses	N1,570,000
TOTAL EXPENSES	N3,351,700

TOTAL SALES FOR PERIOD OF 12 MONTHS

Layers	N6,162,000
Broilers	N1,710,000
TOTAL	N7,872,000

PROFIT = SALES – EXPENSES

For layers during egg production, the expenses are half of sales of egg will go in for feeds and other operational expenses. i.e. N6,162,000 divide by 2

$$\frac{6162,000}{2} = N3,081,000$$

For broiler the cost of production till the birds reaches table size before disposition is between N900 to N1000. So therefore let put the bench mark to N1000. If N1140 broiler is sold at the rate of N1500

$$1,710,000 - N1140,000 = N570,000$$

The profit of layers for the period of 12 months = N3,081,000
The profit of broilers for the period of 12 months = N570,000
Total profit = N3,081,000 for layer
 + N571,000 for broiler
 N3,651,000

IMPLEMENTATION/ MONITORING

This involves all activities involved in the upkeep of the business;

Health- Just like you need regular health check-up to stay in good shape, the birds in your farm also need regular check-up. They need proper vaccines and medications to prevent diseases and promote growth. You should have a consultant, a veterinary doctor who would be in charge of giving vaccinations and providing proper health care for the birds. Chicks need more care after they hatch especially within their first 3 weeks.

Marketing- Another factor to give consideration to is the marketing aspect of poultry business. For the OJIJI VENTURES to rise there has to be good and skilled marketing techniques such as advertisement. Therefore, before you start a poultry business, you should really consider the marketing strategies which you would use to break into the market.

Projected return on investment

The incubation period of the domestic fowl is 21 days. Birds as early as 8 – 12 weeks but full maturity is reached between 20 – 24 weeks can now be sold. The payback period of a poultry farming business is between 3 – 5 years.

Security-An inclusion of a security guard to keep watch over all products and required. To avoid theft, damage or even mistakes such as miscount.

EVALUATION

This is the long term profit or gain and sometimes even loss.

Evaluating all the factors that could either lead to a rise or fall of the OJIJI VENTURE, these are;

- No government help
- Sickness
- Low funds

Now these three need to be made amend for. Sickness is almost inevitable, hence a 5% space for sickness and death has bee made just in case. Another 10% funding has been kept separate as a backup in case of loss above the estimated value.

For government help and Funding, borrowing loans from banks is the best option, in the case where banks/government disagrees, loans from family and friends along side with personal sav

