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**Business Name: ADESCO FARMS LIMITED**

**Executive Summary / Description of the project:**

This business plan outlines the economic and financial viability of the project “ADESCO FARMS”, which is set on a space of land 500 hectares in size and aimed at the production and sales of poultry produce. The proposed project is going to create value and economic opportunities by:

- I. Producing eggs and hen meat that are not only of high standard, but also 100% safe for consumption and even resale, also contributing significantly to food security.
- II. Building ties with other farms with a likeminded vision so that together they can achieve great feats in the agricultural industry.
- III. Making its products very affordable and leaving employment opportunities to the youth in the society.

Poultry Type: This industrial poultry enterprise is going to see the rearing of the following flightless birds;

*Broilers:* Young males and Females raised for meat, growing from a hatch weight of 40 g to a weight of approximately 1.5 to 2 kg within 6 weeks only.

*Layers:* Hens that will be used for commercial egg production and then slaughtered for meat. The layers are to be raised from a day old. Egg production is expected at the age of 18-19 weeks and continues until they are 72-78 weeks of age.

*Cockerels:* Reared only for meat production with the same maturity time as the broilers.

*Farm Site:* The farms head office is located at 7, Uju onabanjo Street, Alayande Town, Kilometer 43(By Enugbe estate) off Olabisi Sikiru Street along Lekki-Epe expressway, Patek 1<sup>st</sup> gate bus stop, Eti-Osa local government, Lagos State. Its branch is located at KM 9 Lekki-Epe expressway oke-ogun village in ibeju lekki local government. Both locations came into existence in the year 2005 and has had smooth sailing ever since.

*Housing:*

This consists of a grower house, layer house, broiler house and breeder house. The poultry house is located in such a way that long axis is in east-west direction, preventing the direct sunshine over the birds. The housing plan is going to address the length, height, width, floor, heating, overhang, side walls and heating of the poultry houses. The housing system adopted for the farm is the *intensive cage system*, the multiple bird cage system is used so as to cut costs and avoid unnecessary problems.

## **Introduction, Sponsorship, Management and Technical Assistance:**

### **ADESCO FARMS NIGERIA LIMITED**

ADESCO farms limited is a private liability company that will be incorporated on the 9<sup>th</sup> of January 2021 and will be licensed to carry out among others business of manufacturing and production of agricultural and agro allied products and materials. ADESCO farms limited is a poultry company which will specialize in the production , sales and supply of ISA brown, brogan black and DeKalb amber link hens to Nigerian small scale poultry farmers and egg distributors respectively. It will also offers consultancy services to start-up farms.

***Sponsorship:*** The project is sponsored by Mr James Wellington, a seasoned and experienced industrial farmer with a farm of his own. He is the CEO of LARGE FISH NIGERIA LIMITED, with a Bsc and Msc degree in Agricultural economics and management from the University of Pretoria, South Africa. With over 17 years of farming experience and a significant amount of wealth amassed he decided to give back to the society by investing the dreams of a young entrepreneur with a similar vision.

***Management:*** The management team is detailed below with their various roles attached;

***Chairman/CEO:*** Mr Sule Mubarak Adedeji, CEO of ADESCO FARMS LIMITED being highest-ranking executive in the company, is tasked with making corporate decisions, managing the overall operations and resources of a company, acting as the main point of communication between the board of directors (the board) and corporate operations and being the public face of the company.

***Managing Director:*** Mr Fatugbe Adetoro Johnson, MD, is tasked with overseeing the company's business operations, liaising with stakeholders, driving strategic company growth, and is also responsible for the overall performance of the business.

***Head Poultry Unit:*** Mrs Adewale Quadri, HPU, is responsible for overseeing everything that goes on within the farm environment. She serves as the connection between staff and the MD during board meetings.

***Shareholders:*** In order of investments, the following investors are required to be present at board meetings and actively contribute to the growth of the farm; Mr James Wellington, Mr Tolutope Oluwanifemi, Mrs Odusanya Temitayo and Mrs Jackson Willter.

***Technical Assistance:*** ADESCO FARMS LIMITED has all its operations stamped and approved by the Lagos State Government, Lagos State Ministry of Agric, Farmers' Union, Agric Cooperatives and other entrepreneurial farmers.

The IFAD( International Fund For Agricultural Development) has stated its willingness to participate in the overall growth of the farm, it is ready to give loans in small/huge amounts to the management of the enterprise if need be.

The farm will also develop ties with the NFO( National Farmers Organization), headquarters in the USA. This bond is so that the farm can communicate and seek for allies/holders all around the world aimed at the farms economic growth.

The farm is capable of funding majority of its operations as this is covered by the generous sponsorship of Mr James Wellington.

**Market and Sales:** The demand for the products to be generated from the farm is undoubtedly high. The major factor that will determine the success of the project is the managements expertise on farm operations. This has been noted and will be properly addressed.

The market for poultry produce which is widely consumed by people and also serves in a lot of restaurants and its likes is of great importance. The sales of the eggs and hen meat are a gold mine as most poultry farmers don't have the financial and technical abilities to produce quality poultry produce. The farm will have a target customer base spanning the following regions; Abuja, Kaduna, Akure, Ibadan, etc

Market orientation: As stated above

Market Share: 15% niche market in states above.

Users of Products: Eggs and Hen Meat, Feathers for accessories( not as prominent).

**Competition Analysis:** Although the government has introduced numerous agricultural programmes and initiatives to improve agricultural development such as the Agriculture Development Programme, Green Revolution, Operation Feed the Nation, Poverty Alleviation Programme, and the National Special Programme for Food Security, Nigeria still suffers the problem of poverty and food insecurity even with the new focus on agricultural practices because the majority of the farmers are aged between 55 -70 years. This shows that competition is extremely low in all parts of Nigeria and a lot of work needs to be done by both the individual farming enterprises and also the government before even thinking about large scale competition.

With this said, focusing on state produce a little analysis on the competition between state farms can be addressed.

Farms like Olusegun Obasanjo Farm, Sebores farms, Maizube farms, Anadariya farms, Ojemai farms and Nagari integrated dairy farm are the farms at the top of the ladder and any farm willing to make a name amongst its peers will have to go the extra mile.

**Market Potential:** In Nigeria today, there is a high demand for affordable poultry products such as eggs and hen meat. It is imperative that any farm starting up a business put in mind to satisfy the needs that are most paramount to any society. In the case of the ADESCO FARMS LIMITED, it has its target at satisfying these market needs.

**Profitability:** To analyze any poultry business's profitability, the Start-up capital, Operation and Maintenance, Market and Profitability itself need to be addressed. For example;

With an invested capital of N5, 847, 500 and total sales of N7, 657,500, your gross profit margin is 30.9%. Note that most of the things you spent your money on like the cages and poultry pen to house the cages are fixed assets in nature. You will be able to use them for future layer productions and you don't have to recover their cost in one production. In poultry farming, the tanks and most of the structure you put in place are fixed assets in nature and their costs would be recovered over several productions. The trick in poultry farming is to know the techniques and practices that will reduce mortality (or death rate) and boost growth and production. The analysis above is not 'cast in stone' or fixed. It's meant to give a general overview of cost implications.

**Technical Feasibility:** Ranging from equipments meant for the incubation of small chicks to the feeders meant for layers and broilers, the farm has equipment that is readily available for whichever task, hence satisfying technical feasibility. A description of the varieties of equipment for each section that will be installed in the farm are listed below;

1. Incubation equipments: Setter, Hatcher, Compressed Air System, Emergency Stand-by electric plants, Hatchery automation equipments and vaccinating systems.

2. Egg handling equipments: Hatching egg trays, Hatching egg transfer systems, and egg handler.
3. Brooder equipments
4. Feeding Equipments
5. Water Equipments
6. Vaccination Equipments
7. Miscellaneous.

***Government Support and Regulation:***

The Lagos State Ministry of Agric has approved the installation of this new farm to agricultural society of Nigeria. The following are the requirements that have been satisfied by the ADESCO FARMS LIMITED:

1. Business Registration: Your business must be duly registered with the Corporate Affairs Commission (CAC).
2. Local Government Food Permit and Business Permit: A food/business permit must be issued from the Environment Service Department of the LG/LCDA where the poultry farm is domiciled. The poultry farm will be inspected by health officers for health and safety compliance. Once the permit is approved, business operations can commence.
3. Other Local Government Fees/Levies: Confirm with your local government if you require any other permits to operate within the area.
4. Evidence of Tax Payment: The payment of tax by all businesses is a requirement of the Lagos State Government. Ensure you have photocopies of any tax payments ready for presentation when approached by authorities.
5. Registration with Associated Industry Body: It might be useful to register with an associated industry body for example; the Poultry Association of Nigeria for information sharing and collaboration. This will be useful to overcome common challenges which will aid business growth.

***Project Timeline:***

The project is going to span over a time frame of 12 months with all the operations ending before the new years. January 15<sup>th</sup>, 2020 till December 25<sup>th</sup>, 2020.

***Estimated Project Costs and Revenues:***

The factors that determine the cost of starting up a poultry business are land, construction costs, chicks, poultry equipment, vaccination and cost of labor. All of which are detailed below( Note: All prices are in naira):

1. The cost for the purchase of poultry feed and poultry medication – 13,632,500.00
2. The operational cost for the first 3 months (salaries of employees, payments of bills et al) – 23,370,000.00.
3. Other start-up expenses including stationery (180,000) and phone and utility (water and electric) deposits (2,000,000).
4. The cost for the construction of all the poultry facilities– 77,900,000.00.
5. The cost for leasing a large farm land – 40,000,000.00
6. The cost for insurance (general liability, theft, workers’ compensation and property casualty) coverage at a total premium – 12,000,000.00.
7. The cost for hiring a business consultant– 800,000.00.
8. Marketing promotion expenses for the grand opening of the poultry farm in the amount of 500,000.00 and as well as flyer printing (2,000 flyers) for the total amount of 780,000.00.
9. Legal expenses for obtaining licenses and permits (Health department license and business license) and permits – 10,000,000.00.
10. The total fee for registering the business in the Federal Republic of Nigeria- 500,000.00
11. The amount required for the purchase of the first set of poultry birds– 50,000,000.00.
12. The cost for acquiring the required working tools and equipment, machines, hatchery et al– 100,000,000.00.
13. The cost for store equipment (cash register, security, ventilation, signage) – 15,000,000.00
14. The cost of purchase and installation of CCTVs – 1,000,000.00
15. The cost for building and hosting a website – 200,000.00
16. Miscellaneous – 1,500,000.00.

***THE TOTAL ROUGH ESTIMATE OF ALL PROCESSES IN THE PROJECT:  
300,600,00.00***

**REVENUE GENERATION FROM POULTRY PRODUCE:**

The revenue generation from poultry produce for the ADESCO FARMS LIMITED is set to be a 50% increase of the capital invested after 2.5 years. That is a sum of ***350,000,000.00 naira*** .

***Funding Mechanism:***

The land in which the farm is going to be sited in is approved and given by the Lagos State Government. Majority of the funding mechanisms are covered by Mr James Wellington and his associates.

***Conclusion:***

The project is technically feasible and commercially viable. It is therefore recommended for funding



