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DEPARTMENT: INTELLIGENCE AND SECURITY STUDIES

COURSE NAME/ CODE: FOOD PRODUCTION AND HEALTH AWARENESS/ AFE 202

ASSIGNMENT:

PREPARE A BUSINESS PLAN ON A CHOSEN AGRICULTURE ENTERPRISE
FOLLOWING THE GUIDELINE IN THE NOTE.

**A BUSINESS PLAN FOR THE ESTABLISHMENT OF A 500 LAYERS POULTRY AT
OMOTAYO FARM, OGUN STATE BY FASHAWE AGRICULTURAL BUSINESS
VENTURES AND CONSULTANCY CONFIDENTIALITY AGREEMENT.**

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:

CONTENTS OF A FEASIBILITY REPORT

Executive Summary/ Brief Description of the Project

Sponsorship, Management and Technical Assistance

Market

Technical Feasibility, Resources and Environment

Government Support and Regulation

Timelines of Projects

Estimated Project Cost and Revenue

Funding Mechanism

Conclusion

EXECUTIVE SUMMARY/ BRIEF DESCRIPTION OF THE PROJECT

The agricultural industry of which poultry farming and egg production is a subset of is no doubt among the leading industries in most countries of the world and it is currently thriving in Nigeria; it is the industry that produces chicken and eggs for the populace. FASHAWE agricultural business ventures is a world – class poultry farm company with strong bias for rearing layer chickens. Our poultry farm will be based in the outskirts of Ogun state, Omotayo farm to be precise. We have done a detailed market research and feasibility studies and we were able to secure hundred hectares of land to start our layer poultry farm and egg production business. Our layer poultry farm is going to be a standard commercial poultry farm, so will be involved in raising layers for egg production on a commercial level; we will export live layers – chickens and eggs, to other countries of the world. We are in the commercial layer poultry farming and egg production line of business because we want to leverage on the vast opportunities available in the agriculture industry to contribute our quota in growing the Nigerian economy. Because of the significant role the agriculture sector plays, the government of most countries ensures that they go all the way to subsidize seedlings, fertilizers, farm implements and machinery for farmers and also encourage entrepreneurs to go into commercial farming (poultry farming inclusive). Hens, various birds, quails, guinea fowls, ducks et al are all birds that can be comfortably reared in a poultry. Chicken and birds are widely consumed in all parts of the world hence there is a large market for poultry farmers. If you are looking towards starting a livestock breeding business, then one of your options is to settle for poultry farming. Poultry farming is a highly thriving and profitable business venture not only for the entrepreneur but also the sponsors and investors.

Sponsorship

The project is sponsored by Otunba Oyewole Fashawe who is a successful business man. Otunba Fashawe has taken up this project as a personal investment. He aims to once again enrich the

agricultural sector of Nigeria through investing in various projects such as this. Otunba Fashawe has at his disposal various veterinarians and agricultural experts who have also agreed to support this project. Fashawe agricultural business ventures and consultancy will be responsible for the management consultancy of the projects.

Management

The management will comprise of a democratically elected Board of Directors at the center of the organization structure. This will be made up of shareholders and members of the cooperation who have invested financially, manually and even intellectually in the business as well as distinguished professionals in the sphere of agriculture of proven integrity and vast knowledge and experience in the project area. The prime objective of the board will be to give strategic directions and policies that will ensure long term success of the organization. The board will ensure that the organization complied with all standards set by regulatory authorities. The Managing Director/President shall be responsible for the co-ordination of the day to day management of the cooperative business. He is accountable to the Board of Directors and will mobilize organization resources to achieve set goals. He will manage business risks and focus on wealth creation.

Market and sales

In Nigeria, there's a very good market for poultry products. Eggs are always in demand from both individuals and companies. Companies such as bakeries, restaurants, hotels, food production industries etc. use eggs for producing the goods which they will make available to consumers. While individuals love eating eggs which are accompanied by other foodstuff, some also include eggs in their hair or face grooming routines. The good thing about poultry (layers) is that after they've spent 18 months laying eggs for you, you can sell them off at a higher price than you bought them. If you can carefully plan and time the sales of your old layers (that's what they call layers that have reached the end of their laying cycle) to coincide with a festive period like Christmas or Easter, consumers will be easy to access. The excretion of poultry can also be bagged as organic manure and sold to vegetable farmers as well. There's a very good market, all-year-round, for everything that a poultry farm produces. Selling any of the products will never be a problem. Poultry farming in Nigeria is a business with a very strong cash flow.

Competition analysis

The top poultry farms in Nigeria and the most likely to pose threats are Obasanjo Farms Nigeria Limited, Maizube Farms Limited, Sebore Farms in Mayo-Belwa, Adamawa State, Anadariya Farms, Ojemai Farms Limited owned by Ojemai Holdings and a host of others to be candid. Compared to the demand for poultry in Nigeria, the competition is minimal.

Tariff and Import Restriction

The layers will not be affected by these restrictions as with proper funding, they will be bought from Obasanjo farms Nigeria limited; one of the leading agricultural businesses in Nigeria.

Market Potential

There is a strong demand for layer birds and the eggs they produce in Nigeria. This will also benefit us as the demand is higher than the supply.

Government Support and Regulation

Because the agricultural sector is crucial for economic growth and the reduction of poverty, the Nigerian government is promoting investment in this sector. Companies engaged in agriculture-related businesses are not liable for minimum tax. Furthermore, companies entering the market are exempted from income tax for the first three years with a possible two-year extension. There is no restriction on the capital allowances that can be claimed by such companies up to 66% of assessable profit, and the interest earned from agricultural loans is tax exempt, provided the moratorium is not less than 18 months and the rate of interest is not more than the base lending rate at the time of loan. Also, poultry farming business provides steady source of income for poultry farmers and other people who are involved in poultry production such as farm hands, veterinarians, animal health specialists, feed millers and builders of poultry housing.

Project Timeline

This project should take up to eight months to be completed.

ESTIMATED PROJECT COSTS AND REVENUE

Poultry Farming in Nigeria startup costs:

500 birds (point-of-lay layers): N675,000

5 cages (96 birds-per-cage) to house the 500 birds: N250,000

Cage house or pen construction: N400,000

18-months' worth of feeding (using packaged feeds): N4,522,500

Total startup capital for 500 birds (layers): N5, 847, 500

Poultry farming requires a very high level of operation and maintenance because the quality of their production depends on how well they are managed. They have to be fed 2 to 3 times a day and given quality water to drink. And from time to time, they'll be visited by a veterinary doctor who will administer drugs and injections to them in order to keep them healthy. Failure to do this will expose the birds to all manner of diseases and flus. Also, a farm labour will be hired in order to assist me with the operation and maintenance. The current wages of a farm labour for poultry farming in Nigeria is between N10, 000 to N20, 000 a month.

Funding Mechanism

This business will majorly be funded by Fashawe agricultural business ventures and consultancy.

Conclusion

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