

**A FEASIBILITY REPORT / BUSINESS PLAN
ON POULTRY AT ABUJA, FCT, NIGERIA BY
CAPITAL CITY FARMS VENTURE**

PRESENTED BY

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COURSE CODE: GST 212

COURSE TITLE: ENTERPRENUERSHIP STUDIES

EXECUTIVE SUMMARY

Feasibility Study on the establishment of a poultry farm is based on the survey made by Akukwe Michael Lotachukwu, and the business will be wholly owned by him. The name of the poultry farm will be named **CAPITAL CITY FARMS VENTURE** and will concentrate on sales of eggs and table meat bird (broilers).

We will supply birds and eggs to different quick service restaurants in north central Nigeria and our vision is to be one of the known poultry farm product suppliers in Nigeria with a mission to raise healthy birds at a very profitable venture.

From the research that was carried out it was discovered that the demand for eggs and bird meat is not fully satisfied around some areas of Abuja, though there are already existing poultry farms operating around borders of Abuja and Nasarawa state environment, the poultry farm will be sited at Nyanya town area in Abuja a neighboring environment to Nasarawa state, there is high demand in some part of Nyanya, Mararaba and some part of Nasarawa. These legal requirements for the establishment of this venture such as local government revenue (tax) per month and security payment (vigilante) per month have been inquired and will be carefully complied with.

The venture will help in providing employment to the locals meeting the demand of eggs and making the price affordable in future, **CAPITAL CITY FARMS VENTURE** intends to develop into other livestock farming structures such as turkey, duck, guinea fowl and quail.

STRATEGY AND IMPLEMENTATION SUMMARY OBJECTIVE

- To increase number of our clients by 22% within 3 years of existence
- To evaluate our strategic marketing by every three months
- To keep and maintain hygienic farms for healthy eggs and birds

TACTICS AND STRATEGY IMPACTS

CAPITAL CITY FARMS products will be priced at an affordable rate. When a markup is placed on any of our products, customers will be willing to pay because of the affordable price.

The venture to be established is a poultry farm that will concentrate on the production of eggs and sales of broilers, birds because of the fund required the venture will start as a small scale business having the population of three Local Government Areas of Abuja, which are Abuja Municipal, Bwari, Kwali are target markets. The farm site will be a permanent land and will need necessary equipment for its operation as it is entirely new firm to start from the scratch.

OPERATIONAL PLAN

The firm will be a commercial poultry farm; therefore it will require a full-time labour and geared towards productivity on a scale for the sales of eggs and sales of broiler birds.

For egg production, birds usually starts to lay at 18-22 weeks of age and continue to lay for Twelve months (52weeks) on average laying fewer egg as the new mounting period. The typical production cycle last about 17 months (72 weeks) and involves three district phases as follows:

PHASE 1: Pullets or broilers: This phrase last from 0 – 8 weeks during which small chicks (pullets) are kept separately from broilers.

PHASE 2 (GROWERS): This period concerned is between 8 – 21 weeks of age. Growers are the future laying birds and the way they grow up will largely determine how well they do in the laying house. Therefore management during the growing period is very important.

PHASE 3 (LAYERS): The laying period is taken to have started when the birds reach 5% egg production on a daily basis. The laying period continues until the birds are sold at the end of a laying period of normal length or are force mounted Housing time starts with the beginning of the laying period. The number of birds housed is the number of pullet in the laying house when egg production starts.

MARKET ANALYSIS

Most meals in Nigeria are not complete without poultry output like egg or meat. Nigeria has over 170 million growing population that demand for meat or egg on a daily basis. With increasing awareness on health implication of red meat, they are ever increasing demand for white meat and livestock are source of white meat.

MARKETING STRATEGY

As we mentioned earlier, resident and families of three local government of Abuja being our target market awareness will be made by means of advertisement. The advertisement will be made on flyers, handbills, and one on one marketing will be done to eateries, restaurants and companies that demand for our product. Our major market aggression will be supplied to local markets makers of Cake and Ice Cream, Local restaurants and hotels.

MARKETING

Marketing activities include among other grading quality, promotions, packaging and value adding these activities are essentials as they will lead to large volume of sales of product quickly as possible resulting to increase of income.

GRADING

Eggs should be graded by size and labeled according to its weight. During selection and grading, care must be applied to ensure that weight is uniformed to avoid rejection from customers

BUSINESS EVALUATION OF FARM/FINANCE

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 50 birds at the process of rearing them. While broilers if we start with 400 birds it is possible for us to loss 20 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 ₦500, Medium ₦600, Big size ₦700. Assuming we use medium size, that is ₦600 which result to ₦118,500 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 ₦700 per layers

Therefore, before changing the stock we might have made ₦6,162,000 from sales of eggs and ₦665,000 from the disposal of old layers making a sum total of ₦6,827,000 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 ₦1,500 each, making a total sales of ₦570,000 for the period of rearing the broilers. Making it total sales of (570,000 x 3) ₦1,710,000 for period of 12 months

Total Sales expected for 12 months.

Layers	₦6,162,000
Broilers	₦1,710,000
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	₦7,872,000

CAPITAL EXPENSES

2 plots of land @ N150,000	₦300,000
Block 2000 pcs @ 110	₦220,000
Cement 60 bags @ N1800	₦108,000
Cement Carriage	₦3,000
Woods	₦151,700
Roofing Sheets	₦126,000
Roofing Slate	₦25,000
Ceiling Slate	₦15,000
Reggie's	₦7,500
Nails	₦12,000
Net 15 bundles @ N4000	₦60,000
Iron door	₦43,000
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	₦1,071,200

SANDS

Stone Big 2 tipper @ ₦25,000	₦50,000
Sharp sand (Mayans)	₦20,000
Soft Sand	₦22,000
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	₦92,000

TOOLS

Day old feeders 30pcs @ ₦120	₦3,600
Day old Drinker 15pcs @ ₦200	₦3,000
Feeders 60pcs @ ₦550	₦33,000
Drinkers 12pcs @ ₦2500	₦30,000
Shovel & Head pan	₦2,000
Thermometer (Digital)	₦8,000
Scale (Digital)	₦10,000
Geepee Tank 1500litres	₦23,000
Geepee Tank 500 litres	₦14,000
Nylon 7 pcs @ ₦700	₦4,900

WORKMANSHIP

Carpenter	₦65,000
Bricklayer	₦80,000
Miscellaneous	₦130,000
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	₦275,000
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Business Registration ₦20,000

PRODUCTION

1000 pullets @ 140	₦140,000
400 broilers @ 130	₦52,000
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	₦192,000
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OPERATIONAL EXPENSES

Feeds, Vaccines & upkeeps	₦1,330,000
Salaries and stationeries	₦240,000
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	₦1,570,000
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SUMMARY

Capital expenses	₦1,781,700
Operational expenses	₦1,570,000
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TOTAL EXPENSES	₦3,351,700
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TOTAL SALES FOR PERIOD OF 12 MONTHS

Layers	₦6,162,000
Broilers	₦1,710,000
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TOTAL SALES	₦7,872,000
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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. ₦6,162,000 divide by 2

6162,000

————— = ₦3,081,000

For broiler the cost of production till the birds reaches table size before disposition is between ₦900 to ₦1000. So therefore let put the bench mark to ₦1000. If ₦1140 broiler is sold at the rate of ₦1500
 $₦1,710,000 - ₦1140,000 = ₦570,000$

The profit of layers for the period of 12 months = ₦3,081,000

The profit of broilers for the period of 12 months = ₦570,000

Total profit = ₦3,081,000 for layer
 ₦571,000 for broiler

₦3,651,000

USING PAY BACK PERIOD

This method talks about the number of period that a business investment will pay back amount invested on it. It is usually shows the number of years it would take an investor to recover the initial cost of investment from the expected streams of cash flows. The payback period can be calculated as thus

$$\text{PBP} = \frac{\text{Total Investment}}{\text{Initial Capital}}$$

Using Payback Period of loan generating a profit of ₦3,651,000, 2 years and 8 months.

FUNDING MECHANISM

Securing loan at the rate of 8% through government intervention window at the Bank of Agriculture, Bank of Industry and Commercial banks.

CONCLUSION

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