**A BUSINESS PLAN FOR CHRIS POULTRY FARM**

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**Why Start a Poultry Farm?**

There are quite a great number of things that are highly needed by man as a nutritious source of food that is gotten from the poultry. It is for this reason that it can be said that poultry business has come to stay.

**Business Overview**

The agricultural poultry farming and egg production industry is a subset of is no doubt among the leading industry in most countries of the world; it is the industry that produces chicken and eggs for the populace.

The government of most countries ensures that they go all the way to subsidize seedlings, fertilizers, and farming implements and machinery for farmers and also encourage entrepreneurs to go into commercial farming (poultry farming inclusive).

Chickens are widely consumed in all parts of the world hence there is a large market for poultry farmers.

Poultry farming is a highly thriving and profitable business, supply of eggs is also a major source of revenue generation for poultry farmer. Players in the poultry farming and egg production industry basically raise chickens for meat, and egg production. The eggs produced may be sold for use as table eggs or hatching eggs.

We are looking towards leveraging on the Chris Poultry Farms to generate huge income.

**Poultry Farming Business Plan-MARKET ANALYSIS**

**Market Trends**

The Poultry and Chicken Egg Production industry has greatly benefited from campaigns advertising the health benefits of chickens and eggs as a good source of protein. No doubt, the increased demand of the chicken and eggs from households and food related businesses and of course the growing popularity will rapidly improve revenue growth for the industry.

In the face of this growth, profit margin has suffered from rising feed costs and also regulations regarding animal welfare. As a matter of fact, one of the trends is that with the recent advancement in technology, poultry farmers can now comfortably predict and produce the quantities of chickens and eggs per time.

**Our Target Market**

Naturally, the target market of those who are the end consumer of the commercial poultry farm produce and also those who benefits from the business value chain of the poultry farming and egg production industry is all encompassing. It’s far-reaching.

Every household consumes produces from commercial poultry farms be it chicken or egg.

So also almost all hotels and fast restaurants sell chicken and eggs. In essence a commercial poultry farmer should be able to sell his or her chicken and eggs to as many people as possible.

In view of that, we have positioned our business to attract consumers of chickens and eggs not just in Limpopo alone but also other provinces. We have conducted our market research and survey and we will ensure that we meet and surpass the expectation we set for the business.

**Below is a list of the people and business that we will market our chickens and eggs to;**

* Households
* Individuals
* Hotels
* Restaurants
* Fast food eateries
* Agriculture merchants

**Our Competitive Advantage**

It is easier to find entrepreneur flocking towards an industry that is known to generate consistent income which is why there are more commercial poultry farmers in the south Africa and of course in most parts of the world.

As a matter of fact, entrepreneurs are encouraged by the government to embrace commercial farming cum poultry farming and egg production business. This is so because part of the success of any nation is her ability to cultivate her own food and also export foods to other nations of the world.

Chris Poultry Farms is fully aware that there are competitions when it comes to selling commercial farm produce all over the globe, which is why we decided to carry out thorough market research so as to know how to take advantage of the available market in Limpopo, other provinces of South Africa and of course other parts of the world.

We have been able to highlight some factors that will give us competitive advantage in the marketplace; some of the factors are effective and reliable poultry farming and egg production processes that can help us sell our produce at competitive prices, good network and excellent relationship management.

Lastly, all our employees will be well taken care of, and their welfare package will be among the best within our category in the industry. It will enable them to be more than willing to build the business with us and help deliver our set goals and achieve all our business aims and objectives.

**Poultry Farming Business Plan – SALES AND MARKETING STRATEGY**

We are quite aware that the reason why some commercial poultry farms and egg production companies hardly make good profits is their inability to see off their chickens and eggs as at when due. Our sales and marketing team will be trained on a regular basis so as to be well equipped to meet their targets and the overall business goal of Chris Poultry Farms.

Over and above, we have perfected our sale and marketing strategies first by networking with agriculture merchants and business that rely on daily supply of chicken and eggs from the poultry farms and egg production industry that are likely to become our customers.

**In summary, Chris Poultry Farms will adopt the following strategies in marketing our commercial farm produce;**

Introduce our business by sending introductory letters alongside our brochure to stake holders in the agriculture industry, households, hotels and restaurants and agriculture produce merchants etc.

Advertise our business in agriculture and food related magazines and websites

Leverage on the internet to promote our business

Engage in direct marketing

Encourage the use of the word of mouth marketing (referrals)

**Our pricing strategy**

Some of the factors that will help us sell our farm produce at the right price that will guarantee that we make profits is dependent on our strategy while some of the factors are beyond our control. For example, if the climatic condition is unfavorable and if there is natural disaster in the location where we have our commercial

Poultry farm, then it will directly affect the prices of our chicken and eggs.

Over and above, we want to get the right pricing for our chicken and eggs, we have chosen a good location for commercial poultry farm, we will also choose a good breed that will guarantee bountiful harvest, we will try as much as possible to attract buyers to our poultry farm.

We are quite aware that one of the easiest means of penetrating the marketing is to sell them and acquiring loads of customers for all our eggs and chickens is to sell them at competitive prices.

One thing is certain; the nature of commercial poultry farming makes it possible for poultry farmers to place prices for their eggs and chickens based on their discretion without following the benchmark in the industry. The truth is that it is one of the means of avoiding running into loss.

**Payment Options**

The payment policy adopted by Chris Poultry Farms is all inclusive because we are quite aware that different customers prefer different payment options as it suits them but at the same time, we will ensure that we abide by the financial rules and regulation of South Africa.

**Here are payment options that Chris Poultry Farms will make available to her clients;**

* Payment via check
* Payment with cash
* Payment via online bank transfer
* Payment via bank transfer

In view of the above, we have chosen banking platforms that will enable our client make payment for farm produces purchase without any stress on their part. Our bank account numbers will be made available on our website and promotional materials to clients who may want to deposit cash or make online transfer for chickens and eggs.

**Poultry Farming Business Plan – Publicity and Advertising Strategy**

We want our business to grow beyond the place we are operating from and of course we are ready and willing to utilize every available means to advertise and promote the business. We intend growing our business which is why we have perfected plans to build our brand via every available means.

We know that it important to create strategies that will help us boost our brand awareness and to create a corporate identity for our commercial poultry farm and egg production business.

**Below are the platform we will leverage on to boost our commercial poultry farm and production brand and to promote and advertise our business;**

Encourage the use of word of mouth publicity from our loyal customers

Leverage on the internet, social media platforms and other platforms to promote our business.

Distribute our fliers and handbills in target areas in and around our neighborhood

Contact corporate organizations, households, landlords associations and schools by calling them up and informing them of Chris Poultry Farms and the poultry produce we sell

Advertise our business in our official website and employ strategies that will help us pull traffic to the site.

Brand all our official cars and trucks and ensure that all our staff members and management staff wears branded shirt or cap at regular intervals.

**Generating Funding / Startup Capital for Chris Poultry Farms,**

No matter how fantastic our business idea might be, if we don’t have the required money to finance the business, the business might not become a reality. Finance is a very important factor when it comes to starting a business such as commercial poultry farming.

**These are the areas we intend generating our start – up capital/funds;**

Government business funding

Business funders (non-governmental)

Apply for loan from my Bank

**Cost and Revenue**

Assumption:  Cost and returns of 600 broilers

\*Assumption: 1. already available land with bore hole

Each production cycle will be made up of 600 birds per batch of production.

Minimum of 6 batches of birds per year

Selling price of mature broiler = #2000

COSTS

|  |  |  |  |
| --- | --- | --- | --- |
| Expenditure  (Fixed cost) | Cost | Annual Cost | Cost per batch |
| Building(10m/5m) | 362500 | 30208.33 | 5034.78 |
| Poultry Equipment and facilities | 125200 | 15435.33 | 2572.22 |
| Variable Cost |  |  |  |
| Day old chick@ #250 per chick | \_\_ | \_\_ | 138,000 |
| FEED |  |  |  |
| Starter (960kg @#140 per kg) | \_\_ | \_\_ | 134,400 |
| Finisher (1440kg @ #132 per kg) | \_\_ | \_\_ | 190,080 |

TOTAL:     324,480

Medication (5% of feed cost, including Vet services) ———————————–16,224

TOTAL VARIABLE COST:  495,739.2

Labour cost @ #10,000 per month for a poultry attendant

= Annual Cost= #120,000

Cost per batch= #20,000

              Summary of Total cost per batch

Building                                                                5034.78

Poultry equipment& facilities                     2572.22

Day old chicks                                                    138,000

Feed                                                                      324,480

Medication                                                         16224

Other cost                                                           17035.20

Labour                                                                  20,000

Total                                                                      #523346.2

                                              Revenue Estimation

|  |  |
| --- | --- |
|  | Amount |
| Sales of Mature live broiler @ #2000 | #1,200000 |

                                        COST RETURNS ANALYSIS OF BROILER PRODUCTION

|  |  |  |
| --- | --- | --- |
| INCOME(#) | EXPENDITURE(#) | NET INCOME(#) |
| 1,200000 | 523346.2 | 676633.8 |

Benefits Cost Ratio (BCR) = 676653.8 (income/expenditure)

523346.2 (cost/expenditure)

= 1.30

Thus, using the benefit cost ratio as a tool of analysis for the above broiler production cost and returns, the business is viable.

NOTE: all the values used in the above calculation are the best of the real and contemporary obtainable values.

**Poultry Farming Business Plan – Sustainability and Expansion Strategy**

The future of a business lies in the numbers of loyal customers that they have the capacity and competence of the employees

One of our major goals of starting Chris Poultry Farm business is to build a business that will survive off its own cash flow without the need for injecting finance from external sources once the business is officially running. We know that one of the ways of gaining approval and winning customers over is to retail our chickens and eggs a little bit cheaper than what is obtainable in the market and we are well prepared to survive on lower profit margin for a while.

Chris Poultry Farms will make sure that the right foundation, structures and processes are put in place to ensure that our staff welfare are well taken of. Our company’s corporate culture is designed to drive our business to greater heights and increase job opportunities

As a matter of fact, profit-sharing arrangement will be made available to all our management staff and it will be based on their performance for a period of six years or more. We know that is put in place, they will be more committed to help us build the business of our dreams.