VEE’S POULTRY FARM

FEASIBILITY REPORT

PROJECT

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EXECUTIVE SUMMARY

Poultry farming is a branch of agricultural farming in Nigeria. Chicken production is a serious business in Nigeria and all over the worlds. More people are becoming conscious of the need to consume lean, rather than meat for health reasons Poultry farming is the second most considered sector which is under animal husbandry in the agricultural sector. It is easy to run, it requires less expertise as well as less capital to run.

Vee’s Poultry farm is a world class and licensed poultry farm and egg production company that is based on the outskirt of lagos state ikorodu Nigeria. We have done our detailed market research and survey and have been able to secure about eight plots of land to start up our poultry farm and egg production business. Our poultry farm is going to be a standard commercial poultry farm therefore , we will be involved in marketing poultry bird, their eggs and livestock feeds.

OBJECTIVES

* To breed the best chickens which will produce the finest eggs as well as produce the best feeds for livestocks while producing other raw materials such as feathes for other industries
* To gain fame over the globe with our poultry farm thereby attracting customers from every nook and crannies of the world.

## MISSION STATEMENT

To provide a 100% services to my customers, providing them with quality products and most especially at affordable prices, along with proper care of birds

VISION STATEMENT

To reduce the hunger rate in the country step by step in any way that it can because hunger is one of the biggest issues in the world.

## KEYS TO SUCCESS

Vee’s Poultry Farm will work with the following to attain success:

* A good business location.
* Excellent products and services that will build our customers loyalty.

# BUSINESS OVERVIEW

## COMPANY OWNERSHIP

Vee’s Poultry Farm is a privately owned and managed fish farm by Ohiokhara Ayomide that intended starting small in the outskirts of ikorodu, Lagos State with hopes to expand in order to compete favorably with leading fish farmers in Nigeria. At Vee’s Poultry Farm we will ensure that we hire people that are qualified, hardworking, creative and ready to work to help achieve a prosperous business.

## LOCATION

After proper survey and construction the business was citied in Lagos state. The location is close to the market to enhance access to our target customers.

## LEGAL STATUS

Our company is yet to be registered with the corporate affairs commission and other relevant agencies.

# MARKET AND INDUSTRY ANALYSIS

## BENEFITS OF POULTRY FARMING

* Poultry is one of the most popular animal product in the market.
* Poultry is one of the highest source of protein and a great source of mineral (Omega 3).
* Poultry grows very fast ensuring you sell within a short period of time.
* Poultry does not cause any environmental hazard.

## CHALLENGES OF POULTRY FARMING

* Setting up a poultry farm is capital intensive and requires much capital input.
* There is no by-product in poultry farming, hence no extra profit.
* Poultry is very sensitive to manage as a slight mistake could cause death resulting in massive loss.

## MARKET SEGMENTATION

The poultry farm industry has greatly benefited from campaigns and advertisement on the health benefits of poultry to the masses as a major source of protein. The advancement of technology has helped the poultry industry as farmers can now comfortably predict and produce the quantities of poultry they want to produce per time from their hatchery.

## TARGET MARKET

Our target market are the end consumers of the poultry. Every household consumes poultry in essence a fish farmer should be able to sell his/ her produce to a large number of people.

Hence, our target market includes:

* Households
* Individuals
* Hotels
* Restaurants and Fast foods

# STARYT UP SUMMARY

This involves the processes at every stage. They include:

* **Stage 1:**

This involves the construction of concrete poultry as well as the piping and fencing of the poultry.

* **Stage 2:**

When the construction has been done, the chicks are brought in so that feeding and other breeding activities can start.

* **Stage 3:**

Provision of water and other conditions needed for the growth of the poultry

* **Stage 4**

Harvesting the matured poultry birds for sales to the general public.

## COMPETITION

Vee’s Poultry Farm is fully aware of the great competition in selling poultry birds . Thus, we have been able to highlight some of the factors that can give us an edge in the market place. Some of them are:

* Effective and reliable processes.
* Healthy relationships with agricultural extension workers.
* Excellent management including welfare packages.

## SALES AND MARKETING STRATEGY

We have noticed some poultry birds farmers hardly make profit due to their inability to sell off as at when due. Our sales and marketing team will be recruited based on their vast experience in the poultry birds industry and they will be trained on a regular basis so as to be well equipped to meet their target and overall business goal of Vee’s poultry Farm.

We will adopt the following to get to the peak:

* Introducing our business by sending out brochures to hotels, restaurants and agricultural industries.
* Make use of the internet to promote our business.
* Engage in direct marketing.
* Encourage referrals through our customers.
* Attend seminars and workshop trainings related to agriculture and food business.

## PRICING STRATEGY

We are well aware that one of the easiest means of getting to the market and acquiring loads of customers for our birds is to sell them at competitive prices. We look forward to our prices going towards what other farmers would want to beat. The price of the birds will range from ₦800 up to ₦1000 (an average price of ₦850) depending on the size and quality. These prices would also vary depending on the existing market price of the birds. In addition, we recognize that price flexibility is critical to our success so we are prepared to offer discount and allowances, sales promotion prices in order to increase our operating capacity usage and reduce or eliminate subsequent losses.

**SWOT ANALYSIS**

## STRENGTHS

* We have healthy relationship with agricultural extension workers in the industry
* We have some of the major tools and equipment that will help us raise and produce birds with less work involved.

## WEAKNESSES

* We are new in town
* It might take us some time to attract big time customers.

## OPPORTUNITIES

* There are many hotels, restaurants and businesses that cannot do without daily supply of fresh poultry birds.
* A successful poultry farming business ensures food security.

## THREATS

* Bad weather, diseases and unfavorable government policies
* Arrival of a competitor in the same location

## ECONOMIC ANALYSIS

##  Economic trends such as demand and supply will determine the sustenance and profitability of the

## POLITICAL ANALYSIS

 This includes government policies concerning inspection by ministry of health and organizations like NAFDAC.

**CULTURAL ANALYSIS**

 A good technical infrastructure would lead to better production and hence lower costs.

**TECHNOLOGICAL ANALYSIS**

 Technology will mean more effective business marketing business. Also inflation rates will affect the way we pay our employees and the price of our products.

# FINANCIAL REPORT

## COST PRODUCTION ANALYSIS

|  |  |  |  |
| --- | --- | --- | --- |
| **LABOUR COST**  | **SALARY** **MONTHLY**  | **NO OF** **PERSONNEL**  | **TOTAL**  |
| FARM MANAGER  | ₦40,000  | 1  | ₦40,000  |
| FARM ATTENDANT  | ₦15000  | 3  | ₦45,000  |
| FARM CONSULTANT  | ₦5,000  | 1  | ₦5,000  |

The total sum, 90,000 will be spent as salary monthly with a total number of 5 staff working in the farm.

## INSTALLATION COST ANALYSIS

|  |  |  |  |
| --- | --- | --- | --- |
| **ITEMS**  | **COST(₦)**  | **NUMBER**  | **TOTAL(₦)**  |
| CONSTRUCTION OF CONCRETE POULTRY | ₦2,000,000  | 10  | ₦2,000,000  |
| GENERATOR  | ₦200,000  | To the entire farm  | ₦200,000  |
| STINKING OF BOREHOLE  | ₦150,000  | 1  | ₦150,000  |
| FENCING OF CAGE | ₦750,000  | 10 cages  | ₦750,000  |

|  |  |  |  |
| --- | --- | --- | --- |
| LABOUR  | ₦750,000  | The whole work  | ₦750,000  |

The whole farm construction will cost us ₦3,850,000.

**COST OF CONSTRUCTING EACH CAGE IS:**

Each cage is 3m x 2.5m by 14m. Each cage consumes 210 blocks and each bag of cements for 30 blocks.

Hence, 210 x 10 = ₦2,100

2100/30 = 70 bags of cement needed

1 bag of cement =₦ 2,500

70 bags of cement = ₦2,500 x 70 = ₦175,600

1 trip of sand = ₦20,000

3 trips of sand = ₦20,000 x 3 = ₦60,000

10 tons of gravel = ₦50,000

Cost of labor = ₦150,000

Cost of plumbing (inlet and outlet) = ₦100,000

Cost of borehole/ treatment = ₦150,000

Cost of high breed chicks = ₦20 x ₦10,000 = ₦200,000

Cost of feeding from day 1 to maturity stage = ₦600,000

1 bag of feed costs: ₦4,500

|  |  |  |
| --- | --- | --- |
| 1ST MONTH  | 10 bags  | ₦45,000  |
| 2ND MONTH  | 20 bags  | ₦90,000  |
| 3RD MONTH  | 30 bags  | ₦135,000  |
| 4TH MONTH  | 40 bags  | ₦180,000  |
| 5TH MONTH  | 50 bags  | ₦225,000  |
| 6TH MONTH  | 50 bags  | ₦225,000  |
| DRUGS  | -  | ₦10,000  |
| **TOTAL**  |  | **₦900,000**  |

## ESTIMATED PROFIT

At the end of the production period, that is 6 months birds is meant to attain 1.7kg of body weight.

The average price in the market is 850. We are raising 10,000 birds we are expecting 80% of 10,000 to attain 1.7kg, while 20% may not attain the required body weight due to:

* 5% mortality

Mortality refers to the number of deaths due to diseases. We have estimated a 5% mortality out of 10,000 fishes we are breeding.

* 10% cannibalism

Cannibalism refers to the act by which bigger birds eat the smaller ones and this can be prevented by sorting out the larger ones from the smaller ones.

* 5% may not attain natural table size.

|  |  |  |
| --- | --- | --- |
| Workers salary  | 90,000 per month  | ₦540,000  |
| Feed  |   | ₦900,000  |
| 10,000 chicks | 20 each  | ₦200,000  |
| Drugs  | For prevention of diseases  | ₦10,000  |
| Fuelling/ Generator maintenance  | For watering the pond  | ₦200,000  |

Therefore, total production cost is ₦1,850,000 and 80% of our fishes expected to attain 1.7kg each.

1kg costs 500, 1.7kg will cost ₦850

8000 x 850 = ₦6,800,000

Sales = ₦6,800,000

Therefore, profit = Sales – Total production costs

₦6,800,000 – ₦1,850,000 = ₦4,950,000

Profit= ₦4,950,000

Therefore, the total profit after every 6 months is about ₦5,430,000, we can easily observe that in a year there will be two major harvesting periods.

Profit after two harvesting seasons will be:

1st harvest = ₦4,950,000

2nd harvest = ₦4,950,000

Profit = ₦9,900,000