

**BUSINESS PLAN ON  
POULTRY FARMING IN  
CALABAR, CROSS RIVER  
STATE**

Produced by Maria-Onyayi Morphy-Enebeli

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### **1.00 Executive Summary:**

Name of the enterprise is Eyie Urban Farming, with interest in Agro-Allied products, with focus on Poultry products, to be in Calabar, Cross River State.

Business activity involves birds and its by-produce.

Financial implication is N8,591,121.10 as initial capital. N2,435,671.55 will be used to smoothen the existing operation activities; N1,338,00 will be used to purchase stock and N4,817,449.55 will serve as the operating cost for six months.

The business shall be financed by owners' equity of N2,577,336.33 which amounts to 20% of the capital investment while loan of N6,013,784.77 will be sourced from the financial institutions, and will be paid over a period of 5 years with a negotiated interest of 09%, with a moratorium of 12 months.

### **1.01 Company Overview:**

#### **a. Mission Statement**

The mission of the enterprise is to fill the gap in the most sought-after protein produce in the State and beyond, at an affordable but competitive price. We will leverage on the ready market for excess production hence improve incomes.

**b. History and Current Status**

The business is at its start up stage. We have acquired the site and set up the structure for the commencement of the farm and factory. We have acquired the necessary knowledge needed for the smooth operation of the business, but the financing of the business to a complete state where we can start production is the challenge.

**c. Markets and Products**

Poultry farming is a great business idea as an increasing number of people are switching to eating healthy and incorporating protein into their daily meals and poultry products are a chief source of protein. Apart from that, the poultry business has several advantages, both for the business owners and the customers, such as-

- Customers get access to fresh eggs and meat that is organic and hygienically obtained following standard processing procedures.
- The prices of the products are reasonable thus making it possible for greater number of customers to purchase the items, which in turn increases the market reach for the business owners.
- Business owners on the other hand also benefit from raising chicken birds in the poultry business as they can get both eggs and meat from the same sources.
- Also, the rate of return in the poultry business is quite good as the products are sold at a good rate and there is a continuous demand for the products.
- Poultry farming does not require as much water and other materials and heavy equipment as compared to regular farming.

Poultry farming can be done alongside regular farming as the need for materials is not too extensive. Additionally, the bird droppings from the poultry farm are rich in nitrogen which can thus be used as an organic source of the essential element nitrogen in the form of a fertilizer for the regular farming land. Thus, poultry farming business can indirectly benefit regular farming as well.

## **1.02 Objectives**

Our objective is to achieve good quality produce, without compromising the standards. We also aim to achieve a total turnover of N9,799,941, a gross profit of N2,654,174 and a profit after tax of NN1,158,657 by the close of our second year of operation, having successfully sold a total of approximately 2,888 birds and 8,160 eggs by the close of our second year. This is besides producing manure from the waste product of the birds.

There will be constant supply to a ready market for their excess production hence improved incomes.

## **1.03 RISK ANALYSIS**

The risk that may be associated with the business are the following:

- Disease outbreak,
- Fire outbreak,
- Theft/pilfering
- Climate

### **1.03.1 Mitigation of Risk:**

The risks shall be mitigated by taking the following steps

- Regular vaccination of the birds
- Regular invitation of veterinary to check the birds
- Install fire extinguishers at strategic points in the farm
- Train workers on fire safety measure with regular refreshers

- Take necessary measures, within our powers to mitigate any unforeseen risk, except for force majeure
- Pay workers well and regularly to prevent massive pilfering of produce

## **2.00 Product or Service description:**

Our products, eggs, birds (chicken, turkey etc) and birds' droppings, feathers. We are offering our customers healthy birds and eggs as sources of protein and healthy diets. Our customers will benefit from the healthy diet at a competitive and affordable price.

Birds are lean meat, with high nutritional value and eating it regularly will help you stay healthy. Chicken has been found to have very high protein content, which plays a very important role in sustaining our muscles, help in weight loss, improve the bone conditions, relieves stress and improve immunity. It is also said to lowers fat and cholesterol.

The by-product will be processed into feeds. Processing it into feed mitigates the environmental problem likely to be caused by poultry processing. For instance, poultry waste (offal), if not properly managed, if released into the environment may become vector for insects, vermin, bacteria and viruses, resulting in water contamination and air pollutants.

Also, the bird's feathers can be a source of income, as it has been shown that it can be heated, mixed with other materials and molded into plastics, and it is a strong protein produce called Keratin and used in animal feed.

Additionally, the bird droppings from the poultry farm are rich in nitrogen which can thus be used as an organic source of the essential element nitrogen in the form of a fertilizer for the regular farming land. Thus, poultry farming business can indirectly benefit regular farming as well.

## **3.00 Industry and Market Analysis**

### **a. Industry analysis**

Poultry farming is an aspect of economy and agriculture which is critical to human nutrition. It is a vibrant business and huge patronage nationwide. It has developed from the very rustic level to technology driven, where farmers can use technology to monitor how the birds are faring. Records have it that poultry contributes over 1.6 trillion Naira to the Nigerian's agricultural GDP. Specifically, the study revealed that the poultry meat produce contributes about 35.2% while the eggs contribute 63.65% to the total domestic meat and egg demands

**d. Customer analysis**

We shall conduct a customer survey, using questionnaires and sampling of opinions. This will give us an idea of the customer needs and expectations.

**e. Competitor analysis**

Factors	Chrit Ent.	Base Ent	GITs farms	Important
Product	Eggs	Eggs	Eggs	Source of Protein
Price	Cost Based	Cost based	Cost based	Customer attraction
Quality	Good	Excellent	Excellent	Attracts customers
Location	Akamkpa	Biasse	Calabar	Easy to access
Weakness	Low production capacity	Low production capacity	Late delivery to customers	Meet consumption needs and deliver timely and in good condition

**4.00 Marketing Strategy**

**a. Target Market Strategy**

Our target market shall include:

- Hotels,
- Restaurants
- Market – both open and chain-stores

- Bakeries
- Roadside chicken barbecue places
- Individual and collective families

The enterprise is located in Calabar, the Cross River State capital but the produce will reach to all the local government areas and beyond the state. Our target is that we will be the most sought after poultry farm and so we intend to sell our produce wherever we can reach.

**b. Product/Service Strategy**

The business as a policy will sell its products on cash basis. However, customers who buy in large quantities will be considered for credit on their own merit, based on negotiated terms and conditions.

**c. Pricing Strategy**

We shall take into consideration the market pricing and adjust in such a way that we do not hurt the market and still make profit.

**d. Distribution Strategy**

We shall employ both wholesale and retail. In doing this, we will engage distributors and open a sales outlet in areas that we have no distributors. We will also offer self-collection and direct delivery as the need arises.

The products will be conveyed to target locations by delivery vans, where the order is large. For small deliveries, customers may walk in and take their deliveries or home delivered on agreed terms and conditions. We will however strive to make deliveries, easing the stress on our customers. This will give us leverage over our competitors.

**e. Advertising and Promotion Strategy**

Birds especially chicken and sometimes turkey are stable in homes and eateries and so are the eggs. We will leverage on that and place adverts on both print and broadcast media, the social

media and passing on leaflets. We shall also embark on visits to eateries, introducing our products to them.

SN	Advert/promotional Strategy	Budget	Details of budget
1	Signage	10,000	Once
2	Handbills	50,000	Yearly
3	Complimentary Cards	6,000	Reprinted as need arise
4	Social Media		Use existing group on social media
5	Referrals		Commission paid on customer purchase and referral
	Total	N66,000	

**g. Marketing and sales Forecasts**

We forecast to sell at least 100,000 crates eggs, 100,000 broilers live or frozen each day, delivering to hotels, restaurants, bakeries and individual traders.

**5.00 Operational plans**

**a. Operations Strategy**

The farm will start with two structures of 30 x 10 meters. One will be a straight open hall for battery cage, while the second will be partitioned into three rooms for the deep litter system. Considering the advantages of the battery cage system, it is planned that ultimately the whole farm, which shall be extended to 4 structure, will be filled with battery cages for both layers and broilers. Attached to the second room, will be a three room structure, to serve as the office space and store room. The offices shall be equipped with computers and monitoring equipment to ensure the safety of the birds and employees.

**b. Material Needs for Operations**



### Raw materials needed for the operations

SN	Brood Stock	Description/Uses	Key sources
1	Layers (1 day old)	For breeding and laying of eggs	Amo Farm Sieber Hatchery
2	Broilers (1 day old)	For chicken meat	Amo Farm Sieber Hatchery
3	Broilers (1 day old)	For Turkey meat	Amo Farm Sieber Hatchery

### Consumer needed operations

SN	Consumable materials	Description/Uses	Key sources
1	Feeds	For feeding birds	Suppliers
2	Saw Dust	To serve as litters for the birds	Timber market
3	Kerosene	For lightening lanterns and warming the birds	Open market

### c. Operating Equipment

SN	Equipment	Description of equipment	suppliers
1	Feeders/drinkers	Use for feeding the birds	Open market
2	Setter	proper temperature, humidity and turning are provided for the first 19 days of incubating chicken egg	Open Market
3	Compressed air system	for blowing down dust and other dry cleaning in the hatchery	Open Market

4	Hatchery automation equipment	<ul style="list-style-type: none"> <li>• Hatcher tray washers</li> <li>• Waste removal systems</li> </ul>	Open Market
5	Standby Electrical Equipment	As an alternative source of electricity	Open Market
6	Water Tanks	For storage of water	Open market
7	Crates	Collection of eggs	Open market
8	Charcoal stove / kerosene stove	used in places where electricity is not available or costly and where power failure is quite common	Open market
9	Spades (large and small)	Used for cleaning of wastes	Open market
10	Electrical brooder	thermostatically controlled heating system that spread required amount of heat uniformly above large area, this avoid crowding of chicks under brooder directly	Open market
11	Weighing balances	weighing balances are available to weigh birds or feed for record and marketing purposes	Open market
12	Rake	Use for cleaning the dirt	Open market

## 6.00 Production

From Inception, 4000 birds will be introduced, two thousand layers and two thousand broilers with mortality rate of 5%. With the required incentive, the farm can effectively manage four

thousand birds at inception, while managing the layers steadily for 20weeks before laying commences. Within this period, two sets of broilers would have been cycled out.

**a. Stock Control Process**

Our stock will be controlled in accordance with FIFO controlled process. The first stock will be sold out first. This is preferred due to the growth cycle of the birds. The broilers will be introduced every eight weeks depending on the sales.

**b. Open Stocking**

Stock/Item	Quantity	Unit Cost	Total
Day of layers	2000	N300	N600,000
Day Old Broilers	2000	N350	N700,000
Saw dust	100	N200	N320,000
Vaccine and Drugs	60	N300	N18,000

**c. Pricing Strategy**

We will adopt the cost-based price in the sale of our products

**d. Proposed Pricing**

Items	Description	Proposed Selling Price (N)
Eggs	Small, Medium and large	800, 900,1000 per crate
Live Chicken	Per bird	2500
Spent layers	Per bird	2000
Organic manure	25kg	500

**e. Record/Stock Control Process**

SN	Books kept	Reason
1	Sales	Record all transactions for the day

2	Receipt book	For accountability
3	Purchase book	Record of goods bought on credit sales
4	Cash book	Record of all cash transactions

## 7.00 Management

### a. Company Organization

#### Organizational chart

Manager - Overall head of the factory, see to the daily management of the factory

Factory Supervisor – Reports to the Manager on daily basis

Sales Supervisor – Supervises the sales team and ensure that costumers are satisfied

Accountant – Keeps the account and books.

Poultry Attendants – Ensure that the factory is kept in hygienic condition

Pickers – Adhoc staff to be engaged and supervised in picking the eggs

### b. Management Team – Manager, supervisors and accountants

### c. Administrative Expenses

Position	No of Staff	Monthly Salary	Annual Salary	Allowances
Manager	1	30,000	360,000	5% of monthly salary
Sales Supervisor	1	20,000	240,000	5% of monthly salary
Factory Supervisor	1	20,000	240,000	5% of monthly salary
Poultry Attendants	3	18,000	216,000	5% monthly salary
Other Staff	2	15,000	180,000	

## 8.00 Summary of Financials

### a. Financial Assumptions

Inflation: An assumption of 11.5% to the price of equipment and stock has been added to the financial plan, giving room for inflation and other unforeseen factors that may affect the cost of production

Interest rate: An assumption of 0.9% would be made for the interest rate of loans to be obtained from the financial institutions, which is lower than the commercial rate

Insurance: 5% insurance per annum for the equipment and birds has been projected

Depreciation: An assumption of straight-line method has been used in calculating projecting of the depreciation

Tax: 5% has been factored in as tax for the start-up business

#### Start-up Capital Estimate

Start-up Capital Estimate		
Activities	Period	Amount (N)
Pre-operating Expenses		2,435,671.55
Initial Stock		1,338,000.00
Initial Operating Expenses	6months	4,817,449.55
	Total	8,591,121.10

#### Sources of Funds

Sources%	%	Amount (N)
Personal Equity	30	2,577,336.33
Loan proceeds	70	6,013,784.77
Total	100	8,591,121.10