

UNIVERSITY OF NIGERIA, NSUKKA

FACULTY OF ARTS

DEPARTMENT OF MASS COMMUNICATION

TOPIC:

A BUSINESS PLAN ON RABBIT FARMING

AN ASSIGNMENT

SUBMITTED IN PARTIAL FUFILLMENT OF THE REQUIREMENT FOR THE

COURSE: CED 342

(BUSINESS MANAGEMENT AND DEVELOPMENT)

BY

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REG NO: 2014/191456

LECTURER: DR. MRS. C.T. NWAOGA

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SECTION 1 EXECUTIVE SUMMARY

1.1. The following recommendations is related to the proposal by Best of Breeds

(BB) Rabbit farm to establish a product offering.

1.2. The proposed project is to be fully implemented with an investment of Two million, eight hundred and forty eight thousand Naira (N2, 848,000), made up of a fixed capital of N1, 943,000 and a working capital of N885, 000

1.3. Legal form of Business: Sole proprietorship

1.4. Vision: To be a top producer of rabbit meat and live rabbit in Nigeria.

1.5. (a) Location of Business: The proposed business will be located at 105B Enugu Road Ugwoye, Nsukka, Enugu state, Nigeria.

(b) Telephone Number: 08131629702

(c) Email Address: Uzorogechi10@gmail.com

(d) Website Address: www.BBrabbitfarm.com

(e) Reason for choice of location: The chosen location is a ready market for my business based on research.

1.6. Business Owner/Position

(a) Name: Uzor, Ogechukwu Juliet position: Proprietor

Contact/email address/phone number: Uzorogechi10@gmail.com, 08131629702

1.7. The business is a manufacturing outfit

1.8. Description of Business Idea: My business involves the husbandry of rabbits for consumption as meat, pets, laboratory/breeding uses.

1.9. Economic/Social Benefits of the business:

Provision of job opportunities, wealth creation, facilitation of the Agricultural process.

1.10. Funding Requirement is N1, 900,000 as promoters are committing N948, 000 to the project.

1.11. Source of capital

A. Owners: N648, 000 (six hundred and forty eight thousand naira)

B. Donations: N300, 000 (Three hundred thousand naira)

C. Bank loan: 1,900,000 (One million, nine hundred thousand naira only)

1.12. The company's competitive edge is management, strong technical skill, knowledge of the industry and market access.

1.13. The financial projections reveal a good level of liquidity and stability. The projected turn over for 2018 2019 and 2020 are N3, 152,000, N6, 960,000 and N9, 708,000 respectively

1.14. Profitability: The profitability indicators as extracted from the projections embodied in this plan are as follows:

	Year 1	Year 2	Year 3
	₦	₦	₦
Turn over (000)	3, 152, 000	6,960,000	9,708,000
Operating profit	1,152,000	2,560,000	3,448,000
Profit after taxation	_216, 423.32	456,470	1,363,930
Return on equity	10.3340= _33.40%	0.7044=70.44%	2.1048=210.48
Return on investment	_0.0760=_7.60%	0.1603=16.03%	0.4789=47.89%

1.15. Conclusion: The business will succeed and should be sponsored because the initial investment cost is low with quick returns. More so, from the point of view of analysis, the proposed project is technically found feasible, financially viable and economically desirable. Therefore, it is highly recommended that the project should be sponsored.

SECTION 2 BACKGROUND INFORMATION

2.0. Company profile

2.1. Brief description of business

The planned rabbit farm project was born out of strong industry and needs assessment studies undertaken which reveals that there is an increase in meat consumption which cannot be met easily by large animals because of slow production cycle. This need may however be met by

short life cycle animals like poultry, pigs, and rabbits. Poultry and pigs require food sources which are in serious competition with man. On the other hand, rabbit can be produced in forage alone although production can be improved by adding other food by-products and feeds. Increased rabbit production could bridge the supply and demand of protein gap and it is so far the most appropriate type of production system for subsistence meat production.

2.2. Mode of operation: Full time

2.3. Type of Business plan: Start-up

2.4. Type of Business: Production/Manufacturing

2.5. Product(s)

(i) Dressed and packaged rabbit meat

(ii) Selling the rabbits alive as pets

(iii) Selling the rabbit as breeders or for use in laboratory experiment

2.6. Mission Statement: The mission of BB rabbit farm is to be the major supplier of rabbit meat and rabbits as pets. BB rabbit farm wants to have customers from all over the country.

2.7. Vision statement: To be a top producer of rabbit meat and live rabbit in Nigeria.

2.8. Business Name and Address: Best of Breeds Rabbit farm. 105B, Enugu Road, Ugwoye Nsukka L.G.A of Enugu state.

Email Address: Uzorogechi10@gmail.com

Website Address: www.BBrabbitfarm.com

Telephone:

Business No.: 08072746575, Home No.: 08131629702

2.9 Key success Factors for the Business

A The use of improved breed of rabbit (New Zealand white)

B There are very few competitors in this area of business

C The breed of rabbit used has good disease tolerance

2.10. Business organization

a. Business Structure: sole proprietorship. This structure is chosen because decisions about my business can be taken without delays and it will facilitate easy organization.

2.11. Facilities Layout/Location

(a) Facilities Layout/ Leasing

The land used for the business is 2.5 acres which is the owner's contribution to the business. 2 acres of land will be required (bought) for future expansion

(b) Reasons for selection of business location:

1. Availability of land to contain the expansion of the rabbit farm.
2. Existence of good road network and ease of market access.

Its nearness to the market will make for easy access of feed supply sources.

4. Adequate water supply and good drainage

(c) Equipment needed for the business

S/No	Equipment	Quantity	Life span	Remark
1	Wire cages (hutches)	10	10 years	Not existing
2	Feeder troughs	15	10 years	Not existing
3	Nest box	15	10 years	Not existing
4	Waterers (automatic)	50	10 years	Not existing
5	Butchering table	1	10 years	Not existing
6	Plastic water tanks	2	10 years	Not existing
7	Metal waste bin	10	10 years	Not existing
8	Delivery van	1	10 years	Not existing

SECTION 3 MARKETING AND CLIENTS

3.1. Market research tools:

a. Surveys

b. Focus group

c. Internet resources

3.2. Nature and size of market

The nature of the market I am joining is growing. This is because very little is known about the rearing of rabbit and its nutritional value.

3.3. Industry trends and analysis:

The market is growing as there is increasing awareness on the nutritional composition of rabbit meat.

3.4. Market Segmentation

a. Those who buy the rabbits as use for pets

b. Households that usually buy dresses and packaged rabbit meat. They usually buy in bits (kilo).

c. Those who buy the rabbits for breeding or laboratory experiments

3.5. Target market:

1. Households: they buy dressed and packaged rabbit meat

2. Schools and hospitals: they buy live ones for laboratory experiment

3. Restaurants and hotels: They buy dressed and package rabbit meat for preparing rabbit stew, sausages, etc.

4. Households also buy live rabbits for use as pets.

3.6 Delivery Strategy

BB rabbit farm made provision for a delivery van to deliver large quantity of rabbits (both dressed rabbit meats and live rabbits) to distributors and consumers at affordable prices.

3.7. Key competitors and players

Competitor
Name: Anaka's Rabbit farm
Product offerings: Dressed and packaged rabbit meat
Promotional activities: Media advertisement
Location of company: G.R.A, Enugu.
Competitive advantages: Direct marketing
% Market share: 5%

3.8. SWOT Analysis

Strengths

1. Location of the rabbit farm
2. Easy accessibility to its target customers
3. New Zealand whites have very good growth characteristics

Availability of medicines, vaccines and veterinary services

Weaknesses

1. Limited experience and expertise in rabbit farming
2. Lack of sufficient capital

Opportunities

1. Currently, many people do not know the nutritional composition of rabbit meat.

Therefore the creation of awareness will be a major advantage

Threats

1. Rabbits are susceptible to many diseases and this reduces Production to unprofitable value.
2. High temperature and humidity cause heat stress.

3.9. Competitive edge

The location of the rabbit farm helps for easy accessibility of its targeted customers, and also the breed of rabbit used has very good growth characteristics. More so, serious attention will be given to awareness creation and pricing will be reduced to add to the competitive edge of the business.

The business will adopt a differentiation strategy in order to be at the peak of the business and will be patronized by more customers than my competition. More so, my business will not be easily copied because of its improved breeds and the fact that a few people have knowledge on how to manage a rabbit farm.

3.10. Demand and supply Analysis

Details	Demand-supply gap
Potential demand to be served	1,200
Less 10% market share of existing competitors	120
Available market in the absence of expansion	1,080
Less 5% market share due to expansion of existing competitors	54
Available market	1,026
Less 2% due to error in estimation	20.52
Estimated demand and supply gap/ available market	1,006
Install capacity	1,000

3.11. Technology

There will be interbreeding of the rabbit species to produce higher quality of rabbit meat.

A weighing scale will be used to determine the weight of my rabbits.

I will also use the computer to keep record of all the activities in my rabbit farm. Again, the internet will be used to monitor trends and new techniques in rabbit farming.

3.12. Quality Assurance

The use of improved breeds of rabbit (New Zealand white) is a sufficient guarantee of quality and also the extensive care and treatment given to the rabbits and the cleanliness of the farm environment are also measures of quality that the customers will appreciate.

3.13. Production Plan

S/No	Raw materials	Supplier	Location
1	Concentrate feed	New world Animal Feed	Ogige market
2	Hays and grasses	New World Animal feed	Ogige market
3	Water	Water board	Nsukka

The locations of the suppliers of my production materials were chosen because of nearness to my rabbit farm to avoid disappointments of traffic issues.

3.14. Production process

The production process of the rabbits basically involves supplying the rabbit feeds from day to as well as water and monitoring them to find out if there is need for medication. Also the vaccines are administered in order to prevent disease infection. Another stage is the butchering of the rabbit for sale.

3.15. Equipment purchase date

Below is a timeline of equipment and facility purchases

S/No	Equipment Name	Model	Size	Date of purchase	Ownership	Market value
1	Rabbitry with hutches		76.2cmx91.4cmx45.7cm	20/6/2017	B	₦ 200,000
2	Feeders trough			24/6/2017	B	₦150,000
3	Waterers			27/6/2017	B	
4	Nest box		30.5x30.5x61cm	25/6/2017	B	
5	Butchering table		90cmx90cmx45cm	20/06/2017	B	
6	Plastic water tanks		1,000 litres	25/06/2017	B	
7	Metal waste bin			30/06/2017	B	
8	Delivery van			25/06/2017	B	

SECTION 4 MARKETING STRATEGY/PLAN

4.1. Product/Service

For dressed rabbits, it will be packaged either fresh or frozen. The frozen one will be neatly packaged in a carton or customized nylon based on quantity bought.

The rabbit takes usually takes 10-14 weeks to mature. However those who buy for pet uses may buy it before it matures as well as those who buy it for laboratory uses.

4.2. Pricing: Market Plan price

Product/service	Prices		
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What my customers are willing to pay	Highest N 7,000	Average N6,500	Lowest N,6000
Competitor's prices	Highest N9,000	Average N8,000	Lowest N7,000
My price	Highest N8,000	Average N7,000	Lowest N5,500
Reason for setting my price: To satisfy my target customers and beat the price of my competitors.			

4.3. Placement/Market Positioning

(a) Market Positioning

My product will be sold in open markets like Ogige main market, Obollo-afor. My customers can also buy from my rabbitry. My delivery van will go to the markets at specific times to attend to customers in the open markets while I also deliver to my distributors on demand.

4.4. Promotion

At the market entry promotional activities, I will promote my product through direct marketing. I will sell to friends and neighbours and also provide samples. I will also my friends and family to tell friends and colleagues about the business. I will also advertise through newspapers, flyers, radio, etc. emphasising the nutritious value of the product.

4.5. Alliances

I intend to operate independently for a start but when the business expands I will consider going into partnership with The feed company.

SECTION 5 LEGAL, CONTRACTUAL SITUATIONS, SOCIAL AND REGULATORY ISSUES

5.1 Legal Status: Registered

5.2. Business Licence and Permits

(i) Local permit: Permit from Nsukka Local government council

5.3. Safety Regulatory issues

I have taken time to acquire skills on the safety measure to be applied in the business and the business is undergoing registration process with NAFDAC and FDA but I have the mandate to progress while my documents are being processed.

5.4. Contractual Situation

The only contractual agreements that exist in the business currently is that of marketing and sales agreements

5.5. Economic/Social issues

(i) Number of direct jobs to be created: 4/30

(ii) Number of indirect jobs to be created: 1/20

Total number of jobs to be created: 5/50

5.6. Environmental Issues

The only negative influence of rabbit farming on the environment and I have made provisions for effective waste management. Metal waste bin is to be used to avoid the spread of trench from waste. More so, a very big septic tank will be provided for the disposal of liquid waste (effluents) of the farm and the faeces of the rabbits will be dried and recycled as organic manure.

SECTION 6 ORGANIZATION AND MANAGEMENT PLAN

6.1. The organization and management of the business ranks from the proprietor to the Rabbit farm assistants (feeding) to Farm assistants (water drugs and cleaning) to security men, to Driver, and sales representatives.

6.2. Ownership/Shareholders and profile

I have served as the manager for Broad Communications from 2013-2014, CEO Achievers International from 2009-2010. More so, I have undertaken serious research and capacity building efforts on general animal husbandry especially rabbit farming.

I am an undergraduate student of the University of Nigeria, Nsukka.

6.4. Management team and their Profiles

S/no	Position/name	Duties/Responsibilities	Qualifications	Salary/wages	Work Schedule
1	Proprietor	Runs the rabbit farm	BA	N20,000	9am-4pm
2	Farm Assistants	Assists in the running of the farm	OND	N12,000	8am-6pm
3	Security Men	Secures the farm	FSLC	N5,000	12am-12pm

SECTION 7 FINANCIAL STRATEGY AND PLAN

7.1. Projected production schedule

(a) The targeted annual output units for my business in the first year of operation is 500 rabbits.

(b) Projected Production schedule

Year 1	Product line 1	Product line 2	Product line 3	Target Output
July	37	0	6	43
Aug	48	1	9	58
Sept	55	5	25	85
Oct	70	7	18	95
Nov	78	6	11	95
Dec	100	9	15	124
Total output	388	28	84	500
Yea 2				
Jan	54	4	9	67
Feb	58	9	18	85
Mar	62	7	16	85
April	64	3	11	78
May	66	2	18	86
June	78	1	22	101
July	73	4	15	92
Aug	84	8	11	103
Sept	70	7	12	89
Oct	72	6	13	91
Nov	87	3	8	8
Dec	110	10	5	125
Total output	878	64	158	1,100
Year 3				
Jan	68	13	21	102
Feb	80	18	32	130
Mar	74	16	30	120114
April	79	12	23	131
May	88	11	32	134
June	86	10	38	139
July	97	13	29	125
Aug	85	17	23	125

Sept	85	16	24	131
Oct	88	18	25	138
Nov	103	15	20	166
Dec	137	12	17	1,555
Total output	1,070	171	314	

7.2. Sales Projections Plan

S/no	Product/service	Year 1	Year 2	Year 3
1	Product/service	388	878	1,070
	1- Qty (volume)			
	Price per unit	N6,500	N6,500	N6500
	Sales	N2,522,000	N5, 707,000	N6,955,000
2	Product/service	28	64	171
	2- Qty (volume)			
	Price per unit	N6000	N6000	N6000
	Sales	N168,000	N384,000	N1,026,000
3	Product/Service	84	158	314
	3_ Qty (volume)			
	Price per unit	N5,500	N5500	N5500
	Sales	N462,000	N869,000	N1,727,000
	Total	N3,152,000	N6, 960,000	N9,708,000

7.3. Summary of Project Cost/Start-up capital Needed

S/No	Item of expenditure	Amount (₦)
1	Fixed asset investment	1,943,000
2	Working capital	885,000
3	Pre-operating expenses	20,000
	Initial total investment outlay	2,848,000

7.4. Fixed Capital details

S/No	Fixed Asset	Qty	Unit cost (₦)	Total Fixed Asset cost (₦)
1	Rabbitry with 10 hitches	10	20,000	200,000
2	Feeder troughs	15	10,000	150,000
3	Water (automated)	15	15,0000	225,000
4	Nest box	50	5,000	250,000
5	Butchering table	1	7,000	7,000
6	Plastic water tanks	2	50,000	100,000

7	Metal waste bin	10	1,600	16,000
8	Delivery van	1	750,000	750,000
	Sub-total A			1,698,000
	Total Fixed cost			
	INVESTMENT IN LIVESTOCKS			
	BUCKS	10	4,500	450,000
11	Does	50	4,000	200,000
12	Sun-total B			245,000
	Grand total (A+B)			1,943,000

Livestock in the form of bucks and does are seen as investment since they are retained at least three years before disposal

7.5. Working Capital Details

S/No	Items	Amount (₦)
1	Stock of feeds, provision for drugs, dressing and packaging	400,000
2	Provision for utilities and other expenses: 6 months need	160,000
3	Salaries/wages	324,000
	Total working capital	885,000

7.6. Pre-operating Expenses

S/No.	Items	Amount (N)
1	Clearing of land site	15,000
2	Research activities	5,000
	Total	20,000

Total Project cost= N2, 848,000

7.7. Funding Plan

The total project cost is to be funded as follows:

Owners Contribution: N648, 000

Loan capitals: N1, 900,000

Family/friends: N300, 000

7.8. Interest Payment and Loan Repayment Schedule

Year	Principal (N)	Repayment (N)	Interest (N)	Loan balance (N)
1	1,900,000	635,000	190,000	1,265,000
2	1,265,000	635,000	126,500	630,000
3	630,000	630,000	63,000	N

7.9. Depreciation Schedule

The following is the plan for how assets will be replaced when they wear out

Asset item	Cost of item (N)	Scrap value (N)	Useful Life span (years)	Description Amount (N)
Rabbitry with hutches	200,000	10,000	10	19,000
Feeder troughs	150,000	7,500	10	14,250
Waterers	225,000	11,250	10	21,375
Nest box	250,000	12,500	10	23,750
Butchering table	7,000	350	10	665
Plastic water tanks	100,000	5000	10	9,500
Metal waste bin	16,000	37,500	10	1,520
Delivery van	750,000		10	71,250

Total depreciation cost = N161, 310