

**UNIVERSITY OF NIGERIA  
NSUKKA**

**FACULTY OF THE SOCIAL SCIENCES**

**DEPARTMENT OF POLITICAL SCIENCE**

**A BUSINESS PLAN SUBMITTED IN  
PARTIAL FULFILMENT**

**OF THE COURSE: CEDR 342**

**(MELVIN'S POULTRY FARM)**

**BY**

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**DATE: 2016**

## ***MELVIN'S POULTRY FARM***

### **Executive summary**

The following report and recommendation relate to the proposal by Melvin to establish a poultry farm in Margret Cartwright Avenue UNN and the farm will specialize in the production of egg for both household and commercial use.

The project will require a startup capital of 4million naira will comprise of equipment and labor capital. The project will be located at the back of my family house in UNN and a huge market is available for business to serve. The cash flow positions from the calculation made are good and encouraging by the second year through the third year.

### **Introduction**

The establishment is a one man business owned by Onyeador Melvin from my research, I discovered that the demand for egg is not fully satisfied through they are already existing poultry farm, but they cannot satisfy the demand of the community, it is as a result of this vacuum on supply gap that I will want to venture into this business. Advertisements will be done on radios, paper flyers will be distributed and the will development of a website for customer interaction which will make it easy for customers to order and get home delivery.

### **Vision**

- To be an outstanding producer of chickens and eggs in Nsukka and with time Enugu

### Mission

- Producer of quality, fresh and valuable products, and respect the customers want.

### Key success factor

- State of the art cage framework accommodating optimum number of chickens with less possible hazards.
- Regular visits by vet medical workers and hygienic poultry house environment.

### Inherent risk

- Disease hazard will be controlled by veterinary doctors.

### Business ownership

- The business is a sole proprietorship owned by Onyeador Melvin.

### Location factors

- The Melvin's poultry farm will be located at Margret Cartwright avenue UNN
- Will be making use of the garage in the family house, meaning it will reduce the cost of constructing a new building only what will be needed is restructuring to suit my plans.
- Family members and friends will help out.

### Product

- Chicken
- Egg
- Chicken dropping as by product

### Costing and feeding

- The costing is mainly built around equipments, feeding and medicine .
- The feeding supplements will be bought in the market alongside the water and it's equipments.

## **Market, customers and competitors**

### Market Analysis

Melvin's poultry has an exciting business opportunity since there is a huge market and demand of both egg and chicken and chicken droppings for farms during planting season, and most of the staffs around love planting corn. Owing to the fact the business is located around them and may possibly know my parents they will feel comfortable.

### Customers

- Restaurants/ small shops; They purchase crates of eggs to sell to their customers, they buy in bulk and sometimes pay in advance
- Households; may purchase chicken, egg, or the chicken droppings depending on the occasion and what they need it for.

### Market plan

There are not many poultry farm in the university community most of them are outside and because of this they increase the prices of their products, the once in the community supply but do not meet the means of all, so by establishing the farm they is surely market to sale it.

### Promotion strategy

Melvin's poultry farm will embark on awareness campaign to break the news of the establishment, a door to door sharing of flyers, online posters that will circulate fast through different social media, friends telling about the establishment same as siblings, parents and also the website that will have a lot of things to keep people interested like games, news updated which will be side attraction.

### Marketing strategy

The prices of my will be sold at a reasonable an highly competitive price with some added bonus like free delivery at doorstep and special treatment. I

have planned on dividing the chickens into equal half a section will be for chicken meat consumption while the remaining half will be laying eggs.

#### Market positioning

Melvin's poultry farm will position itself as the prime mover and market leader in the poultry farm in the university community and its environs. Also the firm will want to be seen its customers, competitors and the general public as

- As a provider of good and quality chickens and eggs
- As a farm that has customer interest
- Trust worthy provider

Tours can be given to students of animal husbandry about the farm which will help increase its popularity.

### **Technical Analysis Management and organizations**

#### Technical analysis and schedule of operation

The chicken is a highly prolific animal that is capable of laying egg daily. Will be start with POL (point of lay), these are birds in their fourteen to twenty weeks of age, other birds often start dropping from 22weeks to 24weeks of age. Advantage of acquiring point of lay birds is the reduction of risk. Prices of point of lay ranges from 750 to 1000naira/bird. With the broilers, we buy day old chicks that will mature into live chickens in 8weeks after which another batch of day old chicks will be bought.

#### Management and organization

Though the business will be owned by one person they will be need for extra hand to push the business to its greatness height. We will have the following people as the management team,

- Onyeador chidera mike; who is a graduate of economies department in the university of Nigeria Nsukka will help with the financial management of the firm.
- Odoh ebuka; who a computer science student of university of Nigeria

Nsukka will create the website and manage it and everything of the business online.

- Uchechukwu a friend will be assisting me in the running of the farm he stays with me in my family house and studies mechanical engineering.

Though they may all be related to me in a way we are all going to be professional because this is a business and at month's end they will get their wages.

Values and norms

- Always be available to her customers
- Uphold her integrity always
- To offer the best for the benefit of her customers
- To see her employes as her most valuable assets.

### **Legal, environmental, social and regulatory issues**

Legal issues

Melvin's poultry farm plans to commence commercial operations as a sole proprietorship. Registrations of the business name with the appropriate department and authority all possible attempts will be made to acquire and get all necessary per unit and licenses though no special licenses are required for the operation of a poultry farm in the campus.

Environmental issues

Poultry farming could pose an environmental challenge like constituting environmental threat to the community and disease will be controlled.

Social issues

It will bring about social and economic benefits like the creation of jobs like self employment for me also jobs for the workers I will be paying.

## Regulatory issues

The farm will comply with all environmental regulations as well as relevant industrial safety.

## **Risk analysis**

- Pneumonia and other minor disease are among problems faced by poultry farmers but this problem can be solved by seeking a veterinary doctor.
- Inadequate start-up demand will be handled by the aggressive promotion and advertising campaigns

## SWOT Analysis

### S - Strengths

- The location will make it easy and access to target customers
- Relatively good infrastructure system
- Eggs and chickens are not seasonal products and so can be eaten any time of the year
- Poultry are environmentally friendly and in my area poultry has not been exploited.

### W -Weakness

- Capital intensive, starting a poultry business requires a large capital funding
- The smell can be quite disturbing
- Outbreak of disease can ruin entire business in a whole

### O -Opportunities

- Expansion into large scale production of by production (fertilizer)
- Export to neighboring places
- A large and successful poultry will ensure food security

### T -Treats

- More competition or low initial demand
- Avian disease
- High feed ingredients prices
- Treat of import of frozen chicken

To checkmate these treats, we will mount aggressive awareness campaign and a possible change of the company name which will allow the customers

to pick and then a company face from the customers, that will get discount for weeks will help promote the company name and its followers on our website which in turn brings traffic that brings money, regular visit from a vet doctor.

Exit strategy

No plan to exit, rather diversification

### **Company financial**

The total cost of the project is 3853000naira which includes the fixed capital and working capital; this is the summary of the project cost

Fixed capital investment

The poultry is located at UNN in Enugu state on a land area of (12m × 25) the site is motor able all year round.

- Poultry house =	#500,000
- Water tank and supply =	#100,000
- Delivery van =	#500,000
- Point of lay =	#1.700,000
- Feed of lay =	#350,000
- Cages =	#50,000
Total =	#3,200,000

Utilities

The place is connected to electricity and other important things needed like water

Lighting system = #50,000

The water price is included with the purchasing of tank

Other expenses

- Travels =	#30,000
- Advertising/marketing =	#15,000
- Leaflets =	#1000
- Blank invoices =	#2000
- Computer =	#75,000
- Internet =	#50,000
- Food technician =	#20,000
- Business cards =	#5000
- Egg tray =	#5000
- Insurance =	#50,000
- Crates =	#15,000
- Cleaners =	#20,000
- Miscellaneous =	#30,000
- Salaries =	#195,000
Total =	#653,000



### Working capital forecast

To arrive at the working capital needed for the business the following assumption were made

- Cost prices of items increase annually
- Selling prices of stocks increase annually
- It is expected that goods are disposed off at the market as scheduled

### Working capital forecast

- Stock of feeds provision of	300,000	500,000
510,000		
drugs and water		
- Provision for utilities and	370,000	350,000
350,000		
Other expenses		
- Salaries	215,000	
220,000 250,000		

### Financial plan

To finance the required investment outlay the proprietor plans to borrow 4,000,000naria from the bank. It is expected that the loan would attract an interest of 10% and that and that funds are available to pay monthly interest as well scheduled repayments of the principal amount.

Year	loan	Repayment	Interests balance	Loan
1	4,000,000	-	400,000	4,000,000
2	4,000,000	2,000,000	400,000	2,000,000
3	2,000,000	2,000,000	40,000	-

## Projected income statement

	Year1	Year2	Year3
Live chicken sales	2,000,000	2,100,000	2,300,000
Eggs sales	2,880,000	3,400,000	3,700,000
Fertilizers	55,000	60,000	65,000
Total =	4,935,000	5,560,000	6,065,000

Expenses	Year1	Year2	Year3
Feed	350,000	370,000	390,000
Day old chicks	700,000	800,000	850,000
Laying eggs chickens	1,000,000	1,300,000	1,500,000
Insurance	50,000	50,000	50,000
Internet	50,000	50,000	50,000
Business card	5000	5000	5000
Advertisement	15,000	15,000	15,000
Total =	2,170,000	2,590,000	2,860,000

In addition to the purchase of other expenses like the purchase of the van in the first year, buying of the computer of the website development and the purchase of other equipments for the farm.

## Cash flow project

	Year 0	Year 1	Year 2	Year 3
Cash in				
Equity				
Bank loan	4,000,000			
Net profits		1,132,000	1,357,000	1,572,000

Depreciation		70,000	70,000	70,000
Total	4,000,000	1,062,000	1,287,000	1,502,000
Cash out				
Equipment and others	3,200,000			
Working capital	653,000			
Increase/decrease in cash		60,000	103,000	227,000
Load repayment			2,000,000	2,000,000
Total	3,853,000		2,103,000	2,227,000

### Financial analysis

The business has the ability to pay back its owners capital within 3 years. I believe with the confidence of our idea and further research the firm will glow.

### Other consideration

They will be a record, each project will have a record book on which information on the number of stocked live birds, slaughtered and deaths are recorded. Record keeping will help me budget accurately and make informed decisions about the poultry.

The record will contain information's such as :

- All feeds consumed and purchased
- Number of hens purchased
- Deaths and causes
- Vaccination and other veterinary requisites expenses
- Labour and other variable costs

- Number of eggs collected daily
- Number of eggs sold and used for home consumption
- Numbers damaged
- Water and feed intake daily.

#### Economic justification

From the view point of our study and analysis of the findings made the project offers good benefits primer, and the economic wealth will be created even as jobs are also created. These are consistent with the federal and state government policy on entrepreneurship, wealth and jobs creation.

#### Commercial viability

This very clear, and the project has been found to be commercially viable, having shown through projections in an impressive sales, profits and cash flow positions.

#### Conclusion

Melvin's poultry farm shall be a success, poultry farming is a highly developed industry, and therefore the project is highly recommended both finding and implementation.