

UNIVERSITY OF NIGERIA NSUKKA

FACULTY OF AGRICULTURE

DEPARTMENT OF HOME SCIENCE, NUTRITION AND DIETETICS

A BUSINESS PLAN

**SUBMITTED IN PARTIAL FUFILMENT FOR THE REQUIREMENT OF
THE COURSE CED 342(BUSINESS CREATION AND GROWTH)**

GLORY G PIGGERY FARM

BY

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1.0 EXECUTIVE SUMMARY

1.1 The following report and recommendation relate to the proposal by Glory G piggery farm to establish a piggery at Igboke road Ifon.

1.2 The proposed project is to be fully implemented with an investment of N1, 848,000.00, made up of N1, 348,000.00 for fixed capital and N500, 000.00 for working capital.

1.3 The company's vision is To be the most outstanding and reputable producer of lean pork meat in the South West of Nigeria, particularly in Ifon, Ondo State.

1.4 The proposed piggery project will be located at Igboke road, opposite Ifon main market, Ifon, Ondo State.

1.5 A huge market is available for the business to serve.

1.6 The financial projection revealed a good level of liquidity and stability. The projected turnover for year 1, year2, and year 3 respectively are N1775000, N 6922000 and N 8162000 respectively. The cash flow position is equally good and encouraging by the second year through the third year.

1.7 The company's competitive edge lies in its ability to produce pork meat of exceptional lean meat quality, which is got by cross breeding large white and Hampshire pigs.

1.8 The profitability measures are shown below:

Indicators		Year 1	Year 2	Year 3
Turn over	N	1780000	5874000	6461400
Gross margin	N	1280000	5314000	5821400
Return on Equity	%	N/A	101.45	99.40
Return on total invest	%	N/A	72.88	92.14

1.9 Conclusion and Recommendation

From the point of the analysis of our findings, the proposed project is found to be technically feasible, financially viable and is therefore highly recommended for implementation.

2.0 INTRODUCTION

The planned piggery production and sale project the result of a strong industry and needs assessment studies undertaken in Ose Local Government Area of Ondo State, Nigeria

particularly Ifon. The studies reveal that the demand for piggery products is high while there are few piggeries to meet the demand and people have to travel out of the town to meet the demand. Also the bias that has hindered the consumption of pork by the dwellers of Ifon and its environs has gradually waned over the years and most individuals today consume pork (pig's meat). This has made the demand for piggery products to be at an increasing rate. This expanding demand is expected to be sustained into the future.

2.1 Vision

To be the most outstanding and reputable producer of lean pork meat in the South West of Nigeria, particularly in Ifon, Ondo State

2.2 Mission

To produce lean pork meat using the best pig specie and adopting the latest pig rearing method

2.3 Business Ownership

The business is a sole proprietorship wholly owned and managed by Yaya Glory Olubunm

2.4 Legal Status

Glory G piggery farm plan to commence commercial operations as a sole proprietorship. As such, it is just enough to register the business name with the appropriate department at the local government headquarters. No special licenses are required for the operation of a piggery farm. However every attempt will be made to get all necessary permit and licenses.

2.5 Location Factors and Facilities

The piggery project is located at Igboke road, opposite Ifon main market, Ifon. What informed the choice of this location are:

- Availability of land to contain expansion of the piggery
- Its nearness to the main market in Ifon will make it accessible to everyone
- Existence of good road network and ease of market access
- Availability of clean water supply.

2.6 Products

Glory G piggery farm will provide the following products

- Dressed pork meat
- Market hogs

2.7 Product Description

Dressed pork meat: A mature pig is called market hog. There are plans to slaughter some of the markets hogs and sell them as dressed pork's.

Market hogs: the planned care for the piggery is intensive type of care. It is expected that the piglets will reach full maturity at the ninth month and as such could be disposed off at the market as matured live stock (called market hogs).

2.9 Key Success Factor

The key success factors are:

- The use of improved variety of pig specie got from a mix of White and Hampshire species known for its lean meat quality.
- This cross breed of pig is highly resistant to diseases

- This cross breed is also highly prolific
- Existence of reliable market outlet

3.0 MARKET AND CLIENTS

3.1 Market Analysis

Glory G piggery has an exciting business opportunity since there is a large market for pork in Ifon and its environs, and also the fading away of its superstition and reduction in the number of Muslims dwellers.

3.2 Targets Clients

The following are the targeted clients for Glory G piggery:

- ✓ Those that mainly buy the market hog and slaughter it for the purpose of selling it. They are usually price sensitive but can buy in bulk and even pay in advance.
- ✓ Households: the households mainly buy dressed pork. They usually buy in bits (usually in kilos) and sometimes are not particularly price sensitive. However they are sensitive to hygienic issues and quality of the pork.
- ✓ Restaurants: like the households, these classes of clients buy dressed pork, but unlike the households, they can buy in bulk, and sometimes pay in advance. They are also price sensitive.

Glory G plans to articulate appropriate marketing strategies for each class of customers.

3.3 Market Demand for the Product

Glory G piggery is located at Igboke road which is within reach of some markets like Elegbeka, Ori-Ohin, Sobe, Bennis, Omi-Alafa, Arimogija and Ute where pork meat is high on demand.

Experienced operators in piggery agreed that not more than 20% of overall porkers demand are met by existing faraway piggeries.

3.4 Technical Analysis

Pig is a highly prolific animal that is capable of reproducing every 3 months. And also, it is normal for a pig to reproduce up to 4 piglets from a given pregnancy. Therefore, it is a normal problem and challenge among piggeries to contain expansion. However, Glory G has planned its schedule operations in such a way as to contain these challenges.

3.5 Schedule Operation

A parent stock of 22 pigs has been planned for the piggery. This will consist of 20 sows and 2 boars. It is expected that each of the sows will always reproduce 7 piglets every quarter. This implies that the farm expects 35 piglets monthly. The plan is that 5 set of sows will deliver in a hypothetical month 1, while the second set of 5 sows will deliver in the second month. The third set of 5 sows will deliver in the third month. By this third month, the first set of 5 sows is again ready for reproduction.

After delivery, the piglets will stay for one month in the lactation stage where it only feed on the mother's milk. After this stage, the piglets move over to weaners stage and will stay in this stage for three months after which it will proceed to the fattening stage where it will stay for two months. The last stage is the porkers' stage, and the pigs stay in this stage for another three months, and at the completion of this stage, they must have been reared for nine monthd and are ready for the market.

A 5% mortality rate is assumed between the periods of birth to the market stage.

	Parent stock	Lactation stage	Weaners stage	Fattening stage	Porkers stage	No of porkers sold	No of porkers dressed
1 Jan	22	35					
2 Feb	22	35					
3 Mar	22	35	70				
4 Apr	22	35	105				
5 May	22	35	105	35			
6 June	22	35	105	70			
7 July	22	35	105	70	35		
8 Aug	22	35	105	70	70		
9 Sep	22	35	105	70	105	25	10
10 Oct	22	35	105	70	105	25	10
11 Nov	22	35	105	70	105	25	10
12 Dec	22	35	105	70	105	25	10
Total	22	420	1050	525	525	100	40

S/N	Feed cost parent stock	Feed cost weaners	Feed cost fattening stage	Feed cost porkers stage	Dressing cost	Drug	Total cost
1	20000	-	-	-	-	1000	21000
2	20000	2700	-	-	-	1500	24200
3	20000	5400				2000	27400
4	20000	8100				2500	30600
5	20000	8100	25000			3300	56400
6	20000	8100	54000			4000	86100
7	20000	8100	54000	12000		5000	99100
8	20000	8100	54000	24000		5500	111600
9	20000	8100	54000	36000	8000	6500	132600
10	20000	8100	54000	36000	8000	6500	132600
11	20000	8100	54000	36000	8000	6500	132600
12	20000	8100	54000	36000	8000	6500	132600
Total	240000	81000	403000	180000	32000	50800	986800

	Parent stock	Lactation stage	Weaners stage	Fattening stage	Porkers stage	No of porkers sold	No of porkers dressed	Expected sales
13Jan	22	35	105	70	105	25	10	300000
14Feb	22	35	105	70	105	25	10	300000
15Mar	22	35	105	70	105	25	10	300000
16Apr	22	35	105	70	105	25	10	300000
17May	22	35	105	70	105	25	10	300000
18 Jun	22	35	105	70	105	25	10	300000
19 Jul	22	35	105	70	105	25	10	300000
20Aug	22	35	105	70	105	25	10	300000
21 Sep	22	35	105	70	105	25	10	300000
22Oct	22	35	105	70	105	25	10	300000
23Nov	22	35	105	70	105	25	10	300000
24Dec	22	35	105	70	105	25	10	300000
Total	22	420	1260	840	1260	300	120	3600000

3.6 Projection of Sales

	Sales from porkers (N)	Sales from dressed porkers (N)	Total sales
Year one	855000	920000	1775000
Year two	3119000	3803000	6922000
Year three	3904000	4258000	8162000

3.7 Marketing Plan

As earlier stated, there is no major piggeries in Ifon area therefore there is complete absence of structured piggeries that can really put up commendable competition. If Glory G piggery farm commences operations as planned, it will take no longer time to be a market leader.

4.0 Promotional Strategy

Glory G piggery will embark on an aggressive awareness of campaign to break the last restage of superstition on pork eating. To achieve this, Glory G will make use of fliers, posters, holding community meeting, and enlightenment programs on the nutritional qualities of pork, radio and television jingles. This will make the demand for pork to increase thereby increasing sales.

4.1 Marketing Strategy

To maintain a large portion of the pork meat market in Ifon town and its environs, Glory G piggery has decided that her porkers will get to the market at a highly competitive price. Also, the breed of the porkers being a cross of large white and Hampshire species ensures that the porkers are of lean meat quality which is the type of pork of good health benefits and that is very popular with the consumers.

Also, the schedule of production would ensure that the farm maintains its reputation amongst customers as the place where supplies of porkers is most assured.

4.2 Market Positioning

Glory G piggery farm will position itself as the market leader in the pork meat market in Ifon and its environs. The farm will create a leading edge for itself in the pork market in Ifon town and its environs. Below is how Glory G piggery farm will want to be seen by its customers, competitors and the general public

- As a farm that has the health interest of its customers by providing the best lean meat quality
- A farm that its products (pork meat) can be consumed irrespective of customers health status (hypertensive, diabetic, coronary heart disease e.t.c)
- As a farm that has customers' interest in the form of hygiene, pricing and delivery, at heart
- As a trust worthy provider of consistently reliable pork meat.

4.3 Risk Analysis

This project has been subjected to risk analysis and some inherent risk has been identified and appropriate solution has been identified to prevent the business from being disrupted.

Identified risk	Appropriate solution
Possibility of outbreak of disease	Proper vaccination and the service of veterinary experts
Possibility of flood disaster	Proper channeling of erosion, construction of strong pens
Shortage/ irregular water supply	A pipe will be linked to the farm and the nearby river to ensure regular supply of water
Inadequate start –up demand	Aggressive promotion, awareness and advertising campaigns

4.4 SWOT Analysis

A SWOT analysis carried out on the project reveals the following:

4.4.1 Strength

- ◆ Existence of reliable market outlet
- ◆ The location of the piggery farm makes it accessible to its targeted customers
- ◆ The piggery farm has a very good land plan to contain to contain expansion
- ◆ This cross breed of pig used is also highly prolific

The piggery will build on these strengths

4.4.2 weaknesses

- The owner of the piggery farm has little experience and expertise in piggery farming
- Initial problems of raising adequate capital for the project
- Feed for the piggery will have to be gotten far away from the town where the piggery is located.
- Glory G piggery farm plans to address these weaknesses by purchasing feeds in bulk and hiring skilled farm hands.

4.4.3 Opportunities

- Currently there is no quality lean pork in the market. Therefore, the cross of large white Hampshire species with which the piggery uses is expected to produce pork's of exceptional lean meat quality which will be a major advantage.
- Pork meat is very heavy in demand abroad especially when processed into other derivatives products of pork. Therefore it is a possibility that the business might grow in future to process the pork into other derivatives that could be exported overseas.

The piggery farm hopes to exploit these opportunities.

4.4.4 Threats

- ✓ Irregular supply of water as the town is known to have a stony ground and often there is scarcity of water
- ✓ Low initial demand
- ✓ Challenge to convince people to abandon their long held superstition on pork eating.

To overcome these threats, Glory G will organize an enlightenment programs on the nutritional qualities of pork and as another good supply of animal protein (protein of high biological value).

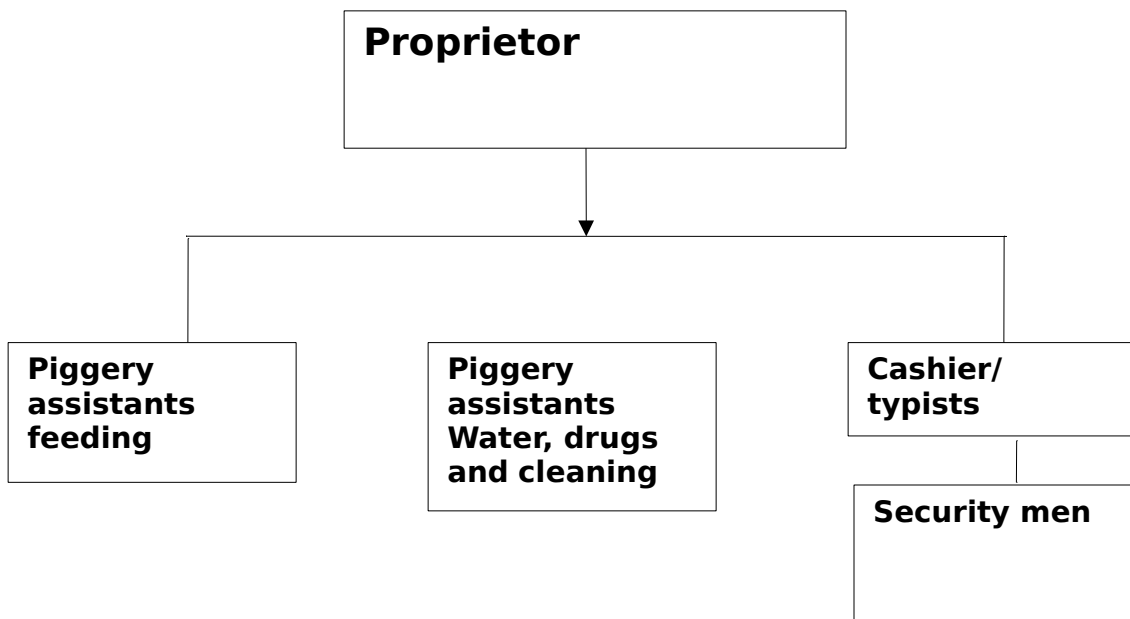
5.0 ORGANIZATION AND MANAGEMENT

5.1 Owner/ Manager

Glory G piggery farm is a sole proprietorship. It is wholly owned by Yaya Glory Olubunmi, who being the sole owner of the farm will manage the affairs of the farm (piggery). Yaya Glory is a graduate from the University of Nigeria Nsukka who has taken courses in entrepreneurship and so has a basic knowledge on financial management which she is expected to utilize in running the business.

In the day to day management of the farm, some other hands will be hired.

5.1.1 Organizational structure of Glory G piggery farm



5.1.2 Management and Labour Compliments

s/n	Positions	No of staff	Annual salary per staff	Total
1	Proprietor	1	350,000	350,000
2	Farm assistants	4	144,000	576,000
3	Typist/cashier	1	120,000	120,000
4	Security men	2	96,000	192,000
	Add 5% fringe benefits			1,238,000 61,900
	Grand total			1,299,900

5.2 External Support

The piggery farm will access support on technical issues from the Entrepreneurship Development Centre where the proprietor received training on entrepreneurship. The services of veterinary expert and consultant has been planned to be retained.

5.3 Values and Norms of the Company

Glory G piggery farm plans to adopt the following values and norms:

- To be known as the best producers and marketer of lean pork meat
- To uphold her integrity always
- To always value her customers by giving them preferential treatment
- To offer the best for the benefit of her customers
- To serve as a means of industrializing the town
- To see her employee as her most valued asset

6.0 LEGAL, REGULATORY, SOCIAL AND ENVIRONMENTAL ISSUES

6.1 Legal issues

Glory G piggery farm plan to commence commercial operations as a sole proprietorship. As such, it is just enough to register the business name with the appropriate department at the local government headquarters. No special licenses are required for the operation of a piggery farm. However every attempt will be made to get all necessary permit and licenses.

6.2 Environmental

Piggery farming could pose an environmental challenge if certain precautions are not taken especially with reference to waste disposal. It is therefore the plan of the farm to dig a very big septic tank/suck away for all liquid waste of the farm. Also feces of the pigs will be recycled as organic manure. In this way, the piggery will not constitute environmental threat to the community.

6.3 Social

The implementation of the project will bring about social and economic benefits to the community in the following way:

- ◆ It will improve the nutritional status of the people as a result of an increase consumption of affordable animal protein.
- ◆ It will create new jobs
- ◆ It will bring about wealth creation and poverty reduction

7.0 FINANCIAL PLAN

The total cost of the project is N1, 848,000.00. This is made up of N1, 348,000.00 in fixed capital and N500, 000.00 in working capital.

Fixed capital investment:

S/N	Detail	Qty	Unit price(N)	TotalAmount(N)
1	Pig houses with 24 pens	5	25000	100000
2	Reinforced underground	1	20000	20000
3	Water tanks (3000 gallons)	1	70000	70000
4	Lanterns	20	8000	16000
5	Delivery van	25	25000	625000
6	Shovels	5	1000	5000
7	Metal washing basin	8	1500	12000
8	livestock's sows	20	20000	400000
9	Boars	2	50000	100000
	Grand Total			1,348,000

7.1 Funding plan

The total project cost of N1, 848,000.00, is proposed to funded in the following structure:

	Owners Contribution	Term Loan	Grand Total
Owners Contribution	848,000		848,000
Term Loan		1000000	1000000
Grand Total			N1, 848,000.00

7.2 Funding Requirement

The funding requirement for this project is N1, 848,000.00, as the owner is committing N848, 000 into the project.

7.3 Projected Income statement

	Year 1	Year2	Year3
Cash inflows	N	N	N
Owners capital or equity	840,000	-	-
Bank Loan	1000000	-	-
Sales Revenue	<u>1780000</u>	<u>5874000</u>	<u>6461400</u>
Total cash inflow (A)	3620000	5874000	6461400
Cash Outflows			
Fixed asset acquisition	500000	-	-
Cost of sales	500000	560,000	640,000
Operating expenses (less dpr)	550,000	574,000	564,000
Loan repayment	-	500,000	500,000
Total Cash outflows (B)	(1,550,000)	(1,634,000)	(1,704,000)
Net cash flow (A-B) = C	2070000	4240000	4757400
Opening cash balance (D)	-	2070000	6310000
Closing cash balance	2070000	6310000	11067400

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7.4 Projected Balance sheet

<u>Capital Employed</u>	N	N	N
Fixed assets (at cost)	500000	500000	500000
Les depreciation	9100	182000	273000
Net Book Value (A) =	490900	318000	227000
<u>Current assets</u>			
Balance at hand and in hand B	2070000 (1000000)	6310000 (5000000)	11067400 -
Les. Current liabilities C	1070000	1310000	11067400
Net current asset B- C = D	70000	3690000	11067400
Net asset = E	579100	1628000	11294400
<u>Financed by:</u>			
Owners capital F	840,000	840,000	840,000
Retained profit G	<u>260900</u>	<u>788000</u>	<u>10454400</u>
Owners funds F+ G	1100900	1628000	11294400

7.5 Profitability Analysis

Indicators		Year 1	Year 2	Year 3
Turn over	N	1780000	5874000	6461400
Gross margin	N	1280000	5314000	5821400
Return on Equity	%	N/A	101.45	99.40
Return on total invest	%	N/A	72.88	92.14

8.0 EXIT STRATEGY

No exit is planned, rather diversification will be pursued.

9.0 OTHER CONSIDERATIONS AND CONCLUSION

9.1 Economic justification

From the view point of our study and analysis of the findings made, the project offers awesome benefits to the promoter, and the economy. Wealth will be created even as jobs also are created and poverty is alleviated. These are consistent with the Federal and States Government Policy on entrepreneurship, wealth and job creation.

9.2 Commercial Viability

The commercial viability of the project is very clear. The project has been found to be commercially viable having shown through projections, an impressive sales, profits and cash flow positions.

9.3 Conclusion and Recommendation

Therefore, the project is highly recommended for both funding and implementation.