

UNIVERSITY OF NIGERIA, NSUKKA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF POLITICAL SCIENCE

TOPIC:

BUSINESS PLAN ON POULTRY FARM

BUSINESS PLAN

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(BUSINESS GROWTH AND CREATION)

BY

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PART I

1.0 Executive Summary

Kings poultry is a farm focused on both egg and meat production that provides for a large market range. It also produces manure as a by-product. It is based in Ukashi, Nsukka. The founders have noticed the health implication of red meat and are creating a business to meet the increased demand for white meat and eggs.

Chickens happen to be a great source of white meat and are also largely known for egg production. The persons who have come together to start this business are Uwakwe, Ogbonna, Aduba, Eric, Nnamdi and Okwute.

Not only are the founders interested in meeting the demands of the customer, we also plan to create utmost satisfaction for these customers. The founders also want to use this business as a means of creating employment within the community it is based in and to contribute to the economy of the country. We plan on provide products with quality and maintain this supply efficiently.

This is a partnership business that plans on distributing eggs and chicken to restaurants, home delivery food centers, hotels, schools, clubs, bakery and catering businesses and supermarkets. We also plan on doing this at very affordable prices. We will also distribute manure to farmers that are into crop production.

This business plan for poultry farm is meant to articulate the vision and future of our poultry, and to appeal to investors and external stakeholders to get involved in this business and

help with its funding as it is a capital intensive business. We also hope that it will serve as a guideline for the firm's employees to move towards the goal of the poultry.

Not only do we offer products, but we offer services as well. We plan on providing home delivery services to customers who order a certain amount of products. This offer will mostly be used by the section of our target market that uses eggs in large quantities like schools and bakeries.

1000 chickens would be optimum for the initial operation of the business. Production site is in Nsukka, plenty open space, cheap labors, road connection, water availability and immediate access to markets like Ukashi market. A house with 5 rooms will be rented for the storage of pellets, equipments as well as for the employees to guard the farm. Revenue for this will be gotten from contributions from each partner. Investment in this business shall be allocated to the following purposes: buying chickens, building cage house, stocking the pellets, hiring the experts and other miscellaneous tasks. Fifty percent gross margin is expected within 6 months of its operations withholding the chances of any accidental or unexpected incidence and we hope to obtain the breakeven point within 2 years.

We have considered the risks, financial, health and technology wisely

The industry works effectively as a network with different specialization, bringing in diverse inputs. Also, to avoid overcrowding of ideas and thinning of the limited resources, focus will be on egg production for a long time under the supervision of an experienced consulting firm.

PART II

2.0 Introduction

Though many successful companies have been started without the benefit of a formal business plan on poultry farming, it can be an essential factor in the birth and growth of your farm. Our poultry egg, meat and hatchery business plan will help you obtain financing, arrange strategic alliances, attract key employees, and boost your confidence. Our poultry production business plan sells your poultry project to the world and gives you direction as the world answers back. A comprehensive business plan for poultry production that includes marketing and finances can help determine the feasibility of a value-added enterprise. Developing your poultry business and marketing plan helps you define your business, creates a roadmap to operate the farming business, sets the goals you will aim for, and satisfies outsiders’.

The basics of any **egg business plan** include the following.

What? Describe your product or service.

Why? Describe the need for your product or service.

Who? Describe the customer.

When? Draw a timeline and list all the tasks that need to be accomplished.

Where? Describe the location of your business.

Building a Sustainable Business: a Guide to Developing a Poultry Business Plan for Farms and Rural Businesses helps alternative and sustainable agriculture entrepreneurs develop profitable enterprises. Sample worksheets illustrate how real farm families set goals, researched processing alternatives, determined potential markets, and evaluated financing options.

Here's a complete sample poultry farming business plan template & feasibility report you can use for FREE to raise money.

2.1 Objectives

Kings poultry will measure its success by its ability to achieve the following objectives:

- Becoming the “Best and most hygienic poultry producer in the area” complying by the national standards for food and drugs.
 - Turn in profits from the first six months of operations.
 - Maintain 50% gross margin ratio.
 - Winning the hearts and tastes of our beloved consumers and establishing a brand image of the company through heavy marketing campaigns in the first one year.

2.2 Mission

Kings poultry's mission is to provide customers with quality, fresh, and valuable products. To respect all employees and enable everyone to have a say in company affairs. Quality and service are our number one priority. To provide investors with opportunities to receive a nice return on investment and high-quality growth. To contribute to the community through physical and social programs.

Kings poultry's farm intends to have the largest poultry farm products. We plan to increase and expand our production of chicken to challenge the ever growing demand for chicken products. The nutritious and protein rich products from our farm would always be the first choice of our consumers.

2.3 Keys to success

Kings poultry will follow these principles in order to achieve success in its market:

- State of art cage framework accommodating optimum number of chickens with lessened possible hazards.
- Diverse slaughters network, market chain management, optimum inventory level and ‘customer is king’ policy.
- Regular visits by veterinary medical workers and hygienic poultry house environment.

2.4 Company Ownership

Kings poultry is owned by four persons. They are namely; Uwakwe, Ogbonna, Aduba, Eric, Nnamdi and Okwute. It is a partnership and each person has an equal share in the business and is also equally liable for any business debts or claims.

PART III

3.0 Market

3.1 Location and facilities

At this point in the business, we don't have an exact point yet but we have narrowed the location down to Ukashi, Nsukka opposite Nsukka town union hall. We are trading from this spot because it is a great place to reach our target market. We think the population base is large enough for our business and it has a stable economic base that promotes a healthy environment for the poultry.

Also we think it is a spot that could tap a healthy workforce. We also considered pedestrian traffic and we think a large percentage of them are potential customers. We plan on having a good parking space and sufficient security in our working site to create a safe environment for the customers. We plan on renting the building at first, and then buy it after we gain enough profit.

Our facilities will include a broiler grow out facility, a layer grow out facility, a hatchery unit and table eggs production unit. The hatchery unit is where the fertile eggs will be incubated to produce day old chicks. The incubation will be done manually. The production cycle will be made up of 50% broilers and 50% layers.

It will include the setter incubator and the hatcher's incubator. The broilers grow out facility will be a deep litter system and the layer grow out facility will be a battery cage system. Both systems require adequate housing and feeding and drinking equipments. The eggs produced

in the table eggs production unit are infertile and the amount produced depends on the layer chickens.

3.2 Contact Information

We can be contacted through our email address. We also have a website where we can reach our customers and see their complaints, feedback and recommendations. The website will also be a forum for customers to familiarize themselves with the poultry.

All these and the phone numbers of the management team will be distributed in flyers and in the means we market our business as our contact information.

3.3 Industry Analysis

Poultry industry in the last 40 years has shown dramatic changes in both domestic and international environments. Those environmental forces include are classified into 2 categories: the internal forces and external forces. Internal and external forces include:

- 1. Poultry industry competitors:** When the company have few competitors, it is more likely to get more profit. For example in Nigeria, competition is today driven by a cost of manufacturing and the quality of products sold to the customers.
- 2. Supplier dynamics:** Suppliers of raw materials to the poultry companies are the ones the affect the costs of poultry products. If there is development of new market and technology, the price of raw materials will remain low.
- 3. Opportunities:** Like in Nigeria, there are many opportunities in poultry industry. The first opportunity is that there is small number of large scale poultry farmers, and the other

ones are small scale business farmers. So this will make businessmen to vertically integrate in the poultry business.

4. **Cultural and religious forces:** As we know, the presence of taboos can be a hindrance in the development of poultry farming. However in Nigeria, there are very few, maybe none, laws or cultures that prohibit eating poultry products. This is a good opportunity for businessmen to develop and expand their poultry farm with in the country without any challenge.

3.4 Challenges facing the poultry industry

Poultry farming has some challenges that need to be attended to with vigor. Below are some of the common challenges that are faced by poultry farmers:

Death of chickens: In poultry, one or many chickens usually die because of their fragile nature and the weather they are living in. Some factors such as heat and overcrowding causing that death can be controllable.

Diseases: Pneumonia and other minor diseases are among problems faced by poultry farmers, but this problem can be solved by seeking a veterinary doctor.

Our business has start up cost and we will need a bank account, we chose our bank to be GTBank because of its proximity in the area. This section of the plan shows projected startup costs prior to our opening.

Start-up expenses for Kings poultry include initial insurance payments covering both general liability and product liability, pre-launch marketing to cover flyers, a direct mail campaign, and advertisements in local papers, the development of a website for customer

interaction, and the normal legal expenses for consultation and permitting. Other current assets include office and store furniture, shelving, a computer, phone system, and tools. Long-term assets include the computer, printers, delivery van.

3.5 SWOT Analysis

SWOT stands for strength, weakness, opportunities and threats and we have made an analysis in each case.

Strength

- Produce high quality eggs enriched with protein
- Relatively good infrastructure systems
- Good marketing system
- Eggs and chicken are not seasonal products and can be eaten any time of the year
- In this area, the poultry business hasn't been over-exploited
- Poultry are environmentally friendly

Weakness

- Capital intensive. Starting a poultry business requires a large capital funding.
- Outbreak of disease can ruin entire business in a go
- The smell can be quite disturbing

Opportunities

- Expansion into large scale production of by products(fertilizer and detergent)

- Export to neighboring towns
- A large and successful poultry will ensure food security

Threats

- More competition
- Avian diseases
- High feed ingredients prices
- Threat of import of frozen chicken

3.6 External Environmental Analysis

Socio-cultural – Eating habits of our consumers will definitely affect our business. Also, the success of restaurants and other firms that order our products will indirectly affect our business.

Technological – A good technical infrastructure would lead to better production and hence lower costs. Technology will also mean more effective business marketing.

Economic – economic trends such as demand and supply will determine the sustenance and profitability of the business. Also inflation rates will affect the way we pay our employees and the price of the product.

Political – this will include government policies concerning inspection by the ministry of health and organizations like NAFDAC.

3.7 Poultry farm start up costs

Items Costs

Business cards 2000

Printer 20000

Leaflets 1000

Blank invoices 2000

Computers 50000

Internet 50000

Insurance 50000

Land 800000

Building 200000

Advertising / marketing 10000

Others 50000

Total 1235000

Equipments Cost

Feeders and drinkers 8000

Crates 15000

Lighting system 50000

Egg tray 5000

Cages 300000

Others 100000

Total equipment 478000

PART IV

4.0 Marketing Plan

4.1 Market segmentation

Although in the Nigerian populace, there are a few taboos, religious or cultural practices that will prevent the consumption of poultry produce, during the market segmentation, we found out that nearly everybody eats eggs and meat, so we are targeting the whole market, individuals, homes and firms that use eggs and chicken in large quantities.

Specifically there is a high demand for live chickens for home consumption or as gifts during festivals like Christmas, New Year, Easter etc.

4.2 Target market segment strategy

Individuals are a small sector in the market segmentation. They are a pretty large group but they buy a relatively small amount of eggs.

The part of the market that we hope to supply large amount of eggs to are the industries that need eggs. We have strategically placed our site close to these industries. They are bakeries, restaurants, boarding schools, home delivery food centers, retail shops and supermarkets.

Another part of our target market that will order our products in medium quantities are the homes that will require our home delivery as we have a set amount of eggs they need to order

for. Homes generally utilize eggs in the preparation of edibles like chicken burger, chicken pie, salads, Scotch egg, omelets, egg soup etc.

The parts of our target market interested in live chickens are small scale poultry farmers and festive individuals. We have considered the needs of each section of the target markets and we plan on meeting these needs effectively.

4.3 Market trends

While some countries are reputed to be important exporters of poultry products, Nigeria has a problem of meeting its local demand of poultry products. This problem started for the poultry market in 1984 when the federal government banned the importation of maize.

This had quite the effect on declining poultry production. But the poultry market has seen more favorable times since the independence in 1960, peaking in 1982 with 40 million commercially reared birds. But it has been declining since, to an estimated 6 million in 1997. But then, it boomed again to 20 million in 2003 and has been progressing ever so slowly since has more people are entering the poultry business. In the poultry business now, most of the products supply comes from the informal farmers with holdings of 50-700 birds. But then there are the “big guns” especially in the southern part of the country, good examples being Obasanjo Farms (Nig.) Ltd and UAC foods.

4.4 Competition

Competition is not so keen in the markets, however it still exists. The reasons are;

- Poultry products are not branded products; hence what usually matters is effective positioning and timing.

- Poultry market is not crowded, it's a seller's market.
- Most poultry produce are sold through informal channels. Competition is usually found within local products and imported ones.

However, this is an increasing business in terms of number of people who are doing it. This is because Nigeria still importing chicken product like eggs from other country. Our competitors include those who sell meat and fish. Although those competitors are available, a large number of Nigerians still lacking essential food components, which are proteins.

According to data from CBN and FAO, only 2Kg of beef is available to an average Nigerian per year, and only 4Kg of eggs is available to each Nigerian in a period of one year. There are poultry farmers; however, many of them are backyard farmers, small scale and they production is too low to satisfy the demand of customers.

The demand is high for live birds and eggs either for consumption or for gift in the time of Christmas, New Year, Easter, etc. restaurants, hotels, and supermarkets in Nigeria. The products of poultry are also needed in fast food business which engages in the sale of products like chicken, eggs bronze, etc. After having a look and analyzing this scenario we decided to come in this industry to solve problem of malnutrition in our population. Therefore, to achieve a breakthrough in our business we will be using our motto "customer is the king." This means that everything we will be doing is basically to satisfy the needs of our customers.

Business competitive edge

Our strength over its competitors is firstly based on the fact that we are not entering this business to make much money. We are entering this industry to solve the present problem that our population is facing. We are here to provide quality affordable chicken products.

We saw that some of our competitors are seasonal they only produce their chicken at a given period of time. We won't work like that always is ready to provide chicken and eggs. We know the importance of time and know that people have many and varying activities; knowing all that we will be delivering our products to the customer's door. Through our motto "customer is the king" we will have an ever fast delivery.

The other factor that will help us to have success over our competitors is to motivate our employees and helping them to improve their way of living, this will help our employees to be focused on their work and provider better services to their customers.

We expected our business to grow and start working at national level and this will be achieved through hardworking of management team and efficiency and effective use of materials and time is the key to be successful over our competitors.

4.5 Marketing strategy

Kings poultry will strive for the production of products with the highest quality and we plan on employing the following strategies. Our location puts us in proximity of a major hotel, restaurant, schools with campuses and home deliver food centers we will be supplying to. We would also make contracts with hawkers in markets to sell our live chickens and eggs. We would also make contracts with retail shops for constant supply of eggs at intervals.

4.6 Pricing and Promotion strategy

The price of the chicken would range from N1500 up to N1700 depending on the size and quality. Also, the price for a crate of eggs ranges from N600 to N1000. The price of a wheelbarrow of manure costs about N200. These prices would also vary depending on the

existing market price of poultry meat and eggs. As we compete with other poultries, we will promote our products through advertisements with the aid of streamers and pamphlets.

We can also make our business known through recommendations and connections with well-known businessmen in the locality. We will also make our products and service known in the newspapers. We have created a website too to let the consumers know of our business.

4.7 Web strategy

Kings poultry also has a website where customers can interact with us and get a feel of what the business is about. We know a site or two where we can place online advertisements and we would also make mentions of our poultry in online newspapers.

4.8 Sales strategy

- Better farm management practices
- Regular visit by veterinary doctors
- Recycling wastes as fertilizer
- “consumer is king” policy
- Keeping up with new technology for production efficiency

PART V

5.0 Production process

We are starting with POL (point-of-lay), these are birds in their fourteen to twenty weeks of Age,(birds often start dropping their first egg from 22weeks to 24weeks of age). Advantage of acquiring Point Of Lay birds is the reduced risk. Prices of POL at press time ranges from N750 to N950/bird.

In budgeting for feeding, a bag cost about N2,200 today and could feed 100birds for 3 days. A bird at good lay point generate between N6 to N10/day as gross profit. This means that a flock of 100 laying birds could generate N800 profit per day, and about N24,000/month hence by implication 500 birds could generate N120,000/month.

At the end of the 54 to 72weeks of lay, the spent layers would be sold for nearly the equivalent amount with which the POL is purchased. With the broilers, we buy day old chicks that will mature into live chickens in 8 weeks after which another batch of day old chicks will be bought.

5.1 Production plan

In our poultry, we are planning to keep 500 chickens for meat, and 500 chickens for eggs. For 500 chickens for eggs, each chicken is expected to lay at least 1 egg per day. For the whole day, 500 eggs will be produced.

For every 3 months, 500 adult chickens will be sold. Our production target is to reduce cost of production by at least 20% in the next 3 years.

5.2 Production costs

Our fixed costs include:

- Insurance payments covering both general liability and product liability,
- Rent for the company retail space
- Area of about one plot will be allocated for the farm;
- A house will be rented for the storage of pellets
- Materials for office and store furniture, shelving, a computer, phone system, and tools.
- Long-term assets including the refrigerator unit for the shop, window displays, a refrigerated delivery van.

Raw materials used include

- Broiler
- Layers
- Water, Feed

5.3 Production labor

Cost of labor

Labor Salary in Naira

Cleaners 20000

Food technicians 20000

Security guards 6000

Other 30000

Total salary 76000

Others include the veterinary doctors, drivers and technician that we pay by the hour.

Labor in poultry farms are usually unskilled laborers who take care of the poultry services, guard the chicken and its products and make deliveries. Their skills differ and they are mostly temporary labor.

The food technicians prepare balanced fodder mixtures complying with the fodder concentrate. Labor size in poultry production is usually unstable.

5.4 Production systems

There are two main production systems in Nigeria. That is laying cage and deep litter systems.

a. Battery cage system

Here hens are kept throughout their productive life time in cages. However, this system requires high capital investment. Each cage that will cage 50 birds cost N30, 000. Therefore, for 500 birds, it will cost N300, 000. In a battery cage system, hens do not have contact with droppings which reduces infections. Feeding, providing water, egg collection, removal of litter and cleaning are easier for the poultry attendants to perform.

b. Deep litter system

Here hens are confined in a house with floor space of 8 to 10 birds/m² to ensure free movement. The floor will be covered with a 5cm to 10cm deep litter of grain husks (maize or rice), straw, wood shavings or a similarly absorbent (but non-toxic) materials. That's why there is sawdust in the budget. After old litter has been removed out of the house, the floor will be cleaned and disinfected.

5.5 Product description

We offer chicken eggs and chicken meat that will be gotten from layers and broilers to our target market. We plan to take pride in the uncompromising quality of our products. We also offer fertilizer in form of chicken manure. This is mostly used in vegetable farming and as an ingredient for feed in fish farming.

Kings poultry shall produce high quality, contaminant-free chickens and the freshest eggs to satisfy the taste of our beloved costumers. The products shall be distributed into a number of distributors – supermarkets, public markets, bakeries, restaurants and in the company's own retail space for easy access for marketing agents and consumers. In brief our products are;

- **Main products**

- a. Eggs
- b. Live chickens

- **By-products**

- a. Chicken droppings

5.6 Future products

We have big plans for the future. We plan on supplying cracked egg shells for some detergent companies for use. These special detergents are used in washing basins and pots. Another thing we have planned for the future is the sale of processed chicken meat.

5.7 Service Description

We plan on servicing our customers by providing home delivery for customers who are willing to buy at least a certain amount of our products.

5.8 Future services

In the future, we plan on creating a restaurant that has eggs as its main menu. It will be like a breakfast restaurant. In the future, if this business gets large enough, we would also like to build our own bakery. A major ingredient in most baked goods is eggs and we will be funding that through the poultry.

PART VI

6.0 Management team

The management team is simply the partners in this business. They are Uwakwe, Ogbonna, Aduba, Eric, Nnamdi and Okwute.

6.1 Organizational structure

- 1. Uwakwe, Chief Executive Officer:** As the top manager, the CEO, he is typically responsible for the entire operations of the poultry. It is his responsibility to implement decisions and initiatives and to maintain the smooth operation of the poultry, with the assistance of the management team
- 2. Ogbonna, Chief Operational Officer:** as the COO, she looks after issues related to marketing, sales, production and personnel. More hands-on than the CEO, the COO looks after day-to-day activities while providing feedback to the CEO.
- 3. Aduba, Chief Financial Officer:** Also reporting directly to the CEO, she is responsible for analyzing and reviewing financial data, reporting financial performance, preparing budgets and monitoring expenditures and costs. The CFO routinely checks the corporation's financial health and integrity.
- 4. Okute, Chief Information Officer:** She reports directly to the CEO and is a more internally oriented person focused on technology needed for running the poultry. She is also in charge of the web designs of the poultry.
- 5. Eric:** He is responsible for all revenue generation processes in an organization, and is ultimately accountable for driving better integration between all revenue-related areas.

6. **Nnamdi, Chief Visionary Officer:** As the CVO, he decides on the general direction of a company, and has a broad and comprehensive knowledge of all matters related to the business of the organization and the vision required to steer its course into the future. The CVO is generally in charge of defining corporate strategies, working plans, and often product ideas.

6.2 Personnel

Apart from the management team, other personnel include

1. Cleaners
2. Security
3. Technician
4. Food technician
5. Veterinary doctor

Driver

There are 5 cleaners, 2 security, 1 technician, 2 food technicians and a veterinary doctor. There is also a driver to make the delivery services. Except from the veterinary doctor, the personnel are on a monthly payroll and are all in a short time contract with the poultry.

PART VII

7.0 Financial Plan

In every project found. We have to pass through the financed process. This have to do with the starting of business, whether the personal income used or term loans from banks. In our business, the financing structure and ways of doing it is like the path below.

1. **Equity contribution:** this cover the land we are using for the poultry, and also the facilities in the building. The total income will be store rooms, office and constructions as well as the furnishing part.
2. **Personal income of 3 million Naira,** which will be used to start-up the operations, the hatchery equipment and other equipment's needed for the poultry.

Since for a part up business borrowing money from a bank is not advisable for our financing project. Financing by loan becomes our secondary motive if we can get enough income for the start up business. When we borrow and use personal income, it is easier to obtain and quicker than loan. The tax rate is low.

7.1 Projected Income statement

Income	1st year	2nd Year	3rd year
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Live chicken Sales	4704000	4704000	4754000
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Eggs sales	5292000	5292000	6372000
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Fertilizers	41600	41600	50000
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Total income	10037600	10037600	11176000
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Expenses

Feed 2640000 2640000 2772000

Day old chicken purchase 600000 600000 610000

Laying eggs chicken purchase 375000 375000 450000

Insurance 50000 50000 50000

Long term assets 1601000 0 100000

Internet 50000 50000 50000

Labor 912000 912000 900000

Business card 2000 2000 2000

Advertisement 10000 10000 15000

Other expenses 100000 200000 120000

Total expenses 7240000 5739000 4919000

Net income before tax 3697600 4286000 6257000

Taxes 379760 379760 379760

Consultant 600000 600000 600000

Depreciation 49830 49830 49830

Net income 2668010 3256410 5227410

In the third year, we are planning to raise 100 additional point-of lay chickens. This will make our income rise as well as the cost of feed and POL chicken to increase. The total income will rise from 10037600 to 11176000.

We will need also 2 additional cages that will cost N100000. The depreciation amount comes from the equipment's that are expecting to be sold after a certain period of time.

7.2 Cash flow analysis

No Particulars Year 1 Year 2 Year 2

I. Costs:

1. Capital cost 3,000,000 0 0
2. Recurring Costs:
 - a. Land and building 1,601,000 0 0
 - b. Cost of chicks 975,000 975,000 985,000
 - c. Cost of feed 2,640,000 2,640,000 2,772,000
 - d. Insurance 50,000 50,000 50,000
 - e. Labor 912,000 912,000 900,000
 - f. internet 50,000 50,000 50,000
 - g. Business card 2,000 2,000 2,000
 - h. Advertising 10,000 10,000 15,000
 - i. consultancy 60,000 60,000 60,000

j. Other expense 100,000 200,000 120,000

Total Benefits 7,240,000 5,739,000 4,919,000 benefits

3. Sale of manure 41,600 41,600 50,000

4. Sale of eggs 5,292,000 5,292,000 6,372,000

5. Sale of live chickens 4,704,000 4,704,000 4,754,000

6. Depreciated value of

a. Cages 25,800 25,800 25,800

b. Computer and printer 6,430 6,430 6,430

c. Other equipment 11,600 11,600 11,600

d. building 6,000 6,000 6,000

e. tax 379760 379760 379760

Total benefit 2,668,010 3,256,410 5,227,410

Tax to be paid is 10% of the net profit. Depreciation on cages is 8.3% of the money we bought them. Depreciation on computer and printers is 9.2% of the money we purchased them. Depreciation on building is 3% of the money used to build. Depreciation on other equipment is 15% of the money we purchased them.

7.3 Records management

As to records management, 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 us to budget accurately and make informed decisions about the poultry. The records will contain information such as

- All feeds consumed and purchased
- Number of hens purchased
- Deaths and causes
- Vaccination and other veterinary requisites expenses
- Labor and other variable costs
- Number of eggs collected daily
- Number of eggs sold and used for home consumption
- Number of eggs damaged and
- Water and feed intake daily.

PART VIII

8.0 Risk Assessment

8.1 Financial risks

- Changes in our pricing policies or that of our competitors
- Fluctuation in revenue from distributors and retailers
- Timing of costs related to acquisitions or payments

8.2 Health risks

Contagious disease and virus outbreak is very deadly; if one of the chickens should catch the disease, all of them will be affected and if it's not recognized and treated early it will lead to the death of all the chickens which is a great loss for the business. And also some of the diseases are also contagious to human not just between the chickens which will affect the workers and also those that eat it.

Disease prevalence varies from one area to the other. The problems that may trigger disease conditions are direct sunlight on egg trays or nests, poor ventilated houses and very high temperatures in and outside the poultry house, which may weaken egg shells resulting in poor egg quality. All these conditions will be avoided to the best of our abilities.

Another thing we considered during the risk assessment is the mortality of the chickens which is inevitable since we are dealing with living things. This can be managed with good management and has been calculated to range between 5-10%.

8.3 Technological risks

Technology is good but they also have their disadvantages. There are normally problems involved in using technology; the use of the machine that collects eggs may fail to work or spoil, making the work slow and adding more cost to the business by repairing it.

The cost for electricity is also not easy and some electric problems can lead to fire outrage and burn the building causing the loss of assets and perhaps the entire business.

8.4 Contingency plans

As we considered these risks we have also made contingency plans for unprecedented events or occurrences. As per the health risks, we will have plans with a veterinary doctor that will have regular checkups with the chickens while giving them the best environmental conditions. Another contingency plan we will make is insurance that will protect our assets.

One of the risks we have to face mentioned earlier, the occurrence of a fire outrage will be curbed by placing fire extinguishers at strategic places. And in case of financial crises, we may have to resort to getting loans.

8.5 Bonus offer!!

What is your view about this [business plan sample for poultry business](#)? I hope you have been able to pick enough facts and figures to create your own **poultry farming business plan**? Please share this post to let others benefit too.