

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

**TOPIC:**

**PIGGERY FARMING**

**A BUSINESS PLAN  
SUBMITTED IN PARTIAL FULFILLMENT FOR THE  
REQUIREMENT OF THE COURSE: CED 342  
(BUSINESS DEVELOPMENT AND MANAGEMENT)**

**BY**

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2014/194545**

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**JULY, 2017**  
**SOLIFIRM PIGGERY AGRO FARM**

## PART I

### 1.0 EXECUTIVE SUMMARY

1.1 The following report and recommendation relate to the proposal by Olifirm agro piggery farm to establish piggery farm in Nsukka, Enugu state.

1.2 The proposed project is to be fully implemented with an investment of #5,000,000 made up of #2,130,000 fixed capitals and #1,870,000 working capital

1.3 The vision of the establishment is to be outstanding producer of lean pork meat in Enugu State of Nigeria, particularly in Nsukka. And its mission statement is to produce lean pork meat of high hygienic quality at relatively low cost and to attain a national status among piggery producers in Nigeria in the next 10 years.

1.4 The proposed project will be located at Akpa-Edem, Nsukka L.G.A

1.5 A ready market exists for the planned business based on our market survey.

1.6 The financial projections reveal a good level of liquidity and stability. The projected turn over for year 1, year 2 and year 3 respectively are N2065200, N2,271,720 and N2,498,892 .While profit in year 1(1,565,800)increasing to 1,759.620 in year 2 and 1,970,742 in year 3.

1.7 The funding requirement is #5,000,000 and the owner's contribution is N2,500, 000 to the project.

1.8 The profitability measures are shown below:

	<b>Year 1 (4 months)</b>	<b>Year 2</b>	<b>Year 3</b>
Turnover	2065200	2,271,720	2,498,892
Profit before Int and Tax	777,000	3,980,000	29,999,600
Profit after Tax	1,565,000	1,759,620	1,970,720
% Return on turn over	N/A	40.02%	52.61%
% Return on equity	N/A	89.76%	95%
% Return on	N/A	65.44%	81.05%

Investments			
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In conclusion, this proposed project is found to be technically feasible and economically desirable, because it creates job opportunity such as restaurants, around the premises. Thus, it is highly recommended for execution.

## **PART II**

### **2.0 INTRODUCTION:**

Livestock venture like this planned piggery in Nigeria is highly rewarding and expanding as the world gets older. It is a vital route to development all over the world and due to high rate of food poison as a result of consuming pork. Olifirm piggery venture will put an end to this threat by producing a hygienic pork that is safe for consumption. The demand for piggery product is very high; farmers need piggery dung for manure. Local production of this accounts for 10% of the market. Outlets are therefore in constant search of sources of low-cost high-quality products

Pig farming rearing is a field that can provide you with satisfaction and a hefty sum of money if you do it right. Whether you want to keep pigs as pets (Contrary to popular belief, they make fascinating ones!) or sell them out for their meat.

### **2.1 VISION OF OLIFIRM AGRO PIGGERY**

The vision for this project is to be outstanding producer of lean pork meat in South east zone particularly in Nsukka, Enugu state of Nigeria

### **2.2 MISSION OF THE FARM:**

To produce hygienic pork meat that will serve as a bench mark for other piggery farmers

### **2.3 KEY SUCCESS FACTORS:**

- An improved breed of pigs have high rate of reproduction.
- When proper vaccines are given, pigs and fish can be highly resistance to diseases.
- High demand for pigs in the locality.

## **2.4 INHERENT RISKS:**

- High rate of mortality when proper care is not taken.
  - Land for accommodating them.
  - Constant supply of pigs.
  - There are plans to use reliable measures to checkmate those identified risks

## **2.5 BUSINESS OWNERSHIP:**

This enterprise, Olifirm Agro piggery farm is a sole proprietorship owned and managed by Eze Oliver in Nsukka, Enugu state.

## **2.6 LOCATIONAL FACTOR:**

This venture Olifirm Agro piggery enterprise will be located at Igoro Village, Akpa-Edem because of the following factors:

- Availability of cheap labour force and material
- The area due to its climatic and weather condition make it favourable for the livestock.
- Adequate security and access to labour market.

## **2.7 AVAILABLE MARKET:**

Olifirm Agro piggery farm is located at Akpa-Edem which is close to some markets like Ibagwa-Aka market ,and Ikpa market, where demand for pork is very high. Statistics reveals that there are about 50,000 porkers which the existing supplier in the location cannot meet up with the demand due to increase in pollution as the year go by. Experienced operators are agreed on the fact that not more than 25% of porkers demand figure are met by existing piggeries farmers.

## PART III

### 3.0 PRODUCTS AND SERVICES

Olifirm Agro piggery enterprise wishes to offer these products:

- Hygienic lean pork meat.
- Piglets for other piggery farmers.
- Piggery excreta for farmers.

#### 3.1 PRODUCT DESCRIPTION

**Hygienic lean pork meat:** Pig is known to be a dirty animal and this scare people from consuming its meat. Consequently, this venture wants to put this to an end by rearing it in a hygienic environment. Matured pigs are slaughter and chopped under sanitize abattoir for sell.

**Seed stock(piglets) for other pig farmers:** Olifirm Agro farm will be of a great importance to others that want to venture into the business of piggery and fish rearing by supplying piglets and fingerlings to those interested in starting up this kind of venture.

**Piggery excreta for farmers:** Pigs dung have been known to add fertility to land, hence their excreta generated in rearing this livestock will help to increase farmers yield.

#### 3.2 COSTING

Expenses that is incurred in starting up piggery venture include mainly of the following

- Feeding
- Drug (vaccination)
- Housing

**Feeding:** Feeding can account for as much as 50 percent of the cost of commercial channel of pig production. Offering too little feed at the beginning of the production season can result to pig not reaching their market size during market season.

**Housing:** Housing livestock especially pigs is very expensive and as well very important. Pigs need ventilated building and this has been a major challenge for pig producers. In addition, due to their high reproduction rate constant expansion of housing is necessary to accommodate the young ones.

**Table 2: cost of housing for rearing pigs and fish**

<b>PHASE OF PIGS</b>	<b>NUMBER OF HOUSING</b>	<b>COST OF HOUSING</b>	<b>TOTAL COST OF HOUSING</b>
<b>PIG</b>	<b>PIG</b>	<b>PIG</b>	
Piglet	7	17500	30000
Fattening phase	10	25000	62500
market size	15	37500	87500

### **3.3 MARKET DEMAND**

Olifirm Agro piggery farm is located at Akpa-Edem, Nsukka which is close to some market where demand for pork is very high. Statistics reveals that about 50,000 people eat pork meat yearly, of which the existing supplier in the location cannot meet up with the demand due to increase in population as the year go by. Experienced operators have agreed on the fact that not more than 25% of porkers that eat fish demand figure are met by existing piggeries and fish farmers.

### **3.4 PROJECTED ANNUAL DEMAND OF PORK IN NSUKKA AND IT ENVIRONS(2015-2016)**

As earlier stated, about 50,000 people eat pork demanded for lean pork yearly

respectively. This figure is expected to grow with the growth in population. Since population growth rate in the area covers around 2.8% to 3.5% for about 4 years now. It seems rational to expect that the demand for pork will grow with at least a growth rate of 1% for the next two years. (see table below)

**Table 3: Projected Annual Demand for Pork and Fish in Nsukka, Enugu state and its Environs (2010-2012)**

S/N	Years	Annual Growth Rate	Projected demand
0	Base year (0) (2011)	1%	45,000
1	2013	1%	45,100
2	2014	1%	45,400
3	2015	1%	45,000
	<b>Total</b>	<b>24%</b>	<b>180, 500</b>
	<b>Average</b>	<b>1%</b>	<b>45,125</b>

This projected average annual demand for those that eat pork meat in Nsukka and its environs is about 45, 125 pork eaters and those that eat fish. It is expected that this level of demand will subsist for the next years.

## PART IV

### MARKET, CUSTOMERS AND COMPETITORS

#### 4.0 Market Analysis

Olifirm Agro piggery venture has an exciting business opportunity since there is huge



market for pork and fish Within the area and its environs. Pork meats happen to be the meat consumes most in the locality. It is prefer to any other meat in funeral and traditional marriage ceremonies.

#### **4.1 Customers / Market Segmentation**

The following are the classes of customers that are expected to patronize Unique Icons piggery venture.

- Those that need seed stock to start up their own piggery rearing business since the venture will also deal in supplying both piglets in every two months.
- Households and restaurant operators will patronize the venture due to the decline in superstition of this meat and people find it delicious to eat. They usually buy it in bits.
- Farmers: Pig dung have been known to add fertility to land, hence their excreta generated in rearing this livestock will help to increase farmers yield.

## **PARTV**

### **5.0 Marketing Plan:**

There is just one piggery enterprise within the locality and its environs which is not really functioning. Therefore, Olifirm piggery venture would really put up a commendable

competition if it commences operations as planned. In no distant time, it will become the pace-setter in the world of livestock because its exploits would be heard in both the state and other neighboring states.

### **5.1 Promotion Strategy:**

Olifirm Agro piggery venture will embark on an aggressive awareness campaign to draw peoples' minds to the latest piggery venture in the town. To achieve this, Olifirm Agro piggery venture plans to use printed handbills, media advertisement (radio, television, newspaper etc), and organizing outreach program to sensitize the public on the nutritional value of pork and also selling the product under discount to attract buyers.

### **5.2 Marketing Strategy:**

In other to take the lead in piggery venture, Olifirm Agro has derived so many strategies to achieve this, Unique Icon venture has planned to organize free seminars on the nutritional value of pork and fish. Also, Unique Icons venture will give trade discounts to the first twenty people that will buy these products. There are plans to distribute Calendars and Almanacs to her numerous customers. This will help greatly to increase the popularity of the venture and its environs.

### **5.3 Market Positioning:**

Olifirm Agro venture will position itself as a pace setter in Nsukka and its environs. Through producing of hygienic pigs for pork. Below is an outline of how the firm wants to be seen by its customers, competitors and the general public.

- (a) As a producer of high hygienic pork and quality.
- (b) As an honest venture to partnership with.

(c) As a venture that is always ready satisfy consumer's needs.

**Table 4: Show projected sales for three consecutive years.**

#### 5.4 Projected sales

	Sales from pork	Sales from piglets	Sales from pig dung	Total
<b>Year 1</b>	1,500,000	450,000	50,000	2,000,000
<b>Year 2</b>	1,750,000	700,000	75,000	2,525,000
<b>Year 3</b>	2,000,000	850,000	95,000	2,945,000

**Note:** To push sales, 5% discount is given to the first twenty people that will buy any of these products.

## PART VI

### TECHNICAL ANALYSIS, MANAGEMENT AND ORGANIZATION

#### 6.0 Technical Analysis:

Pigs have a very high reproductive rate. Pigs especially can reproduce more five piglets in a given pregnancy and this call for constant expansion of their pens for proper

ventilation .constant water. Olifirm Agro venture has planned its schedule operation to overcome these challenges.

### 6.1 Schedule of Operation:

Clean water will be supply to the farm every day. After birth you separate the parent stock from the young ones so that they will not feed on them. In addition some number of piglets will be sold in other to create space to accommodate the ones remaining if land is not ready immediately.

## 6.2 MANAGEMENT AND ORGANIZATION

### 6.2.1 Owner/Manager

Olifirm Agro piggery farm is sole proprietor venture. Therefore it is owned by Eze Oliver. Being the owner of the venture he will manage the affairs of the Olifirm Agro piggery and fishery farm. I am trained a livestock personnel who have enough basic knowledge of livestock and financial management which they use to run the business.

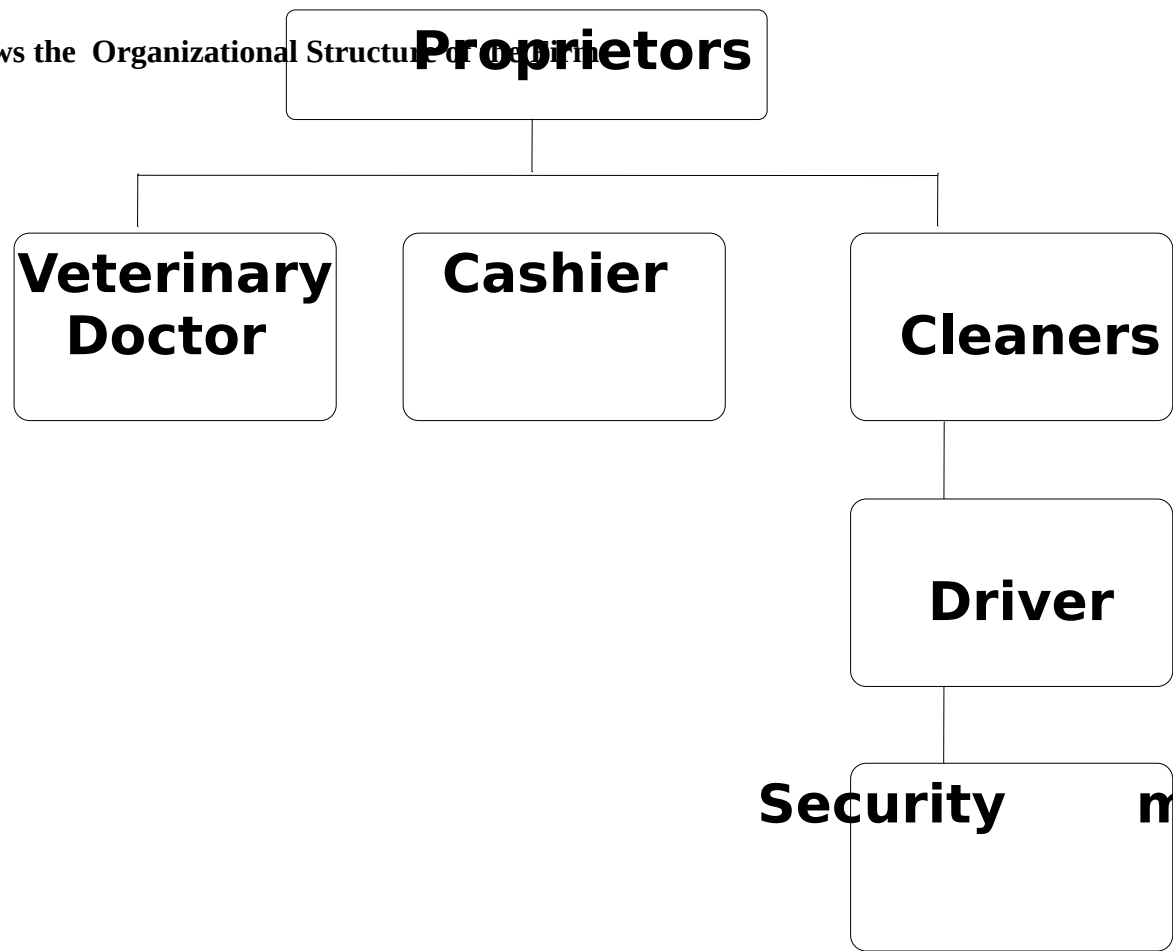
To help in the day to day management of the business, some other experts will be employed. The plan is that the employers will compliment the owners especially in the area of medication.

**Table 5: Management and Labour Compliments**

S/N	Positions	No. Of Staff	Annual Salary Per Staff (N)	Total
1.	Proprietor	10	200,000	2,000,000
2.	Veterinary doctor	2	280,000	560000
3.	Cashier	1	120,000	120,000

4.	Cleaners	2	100,000	200,000
5.	Security men	2	100,000	200,000
6.	Driver	1	150,000	150,000
	<b>Add 5% fringe benefits</b>			<b>50,000</b>
	<b>Grand total</b>			<b>3,680,000</b>

Figure 1 below shows the Organizational Structure of the business



### **6.3 External Support**

Olifirm Agro piggery venture is planning to receive loan from federal government agencies: Agriculture Credit Guarantee Scheme (ACGS) and Nigeria Agriculture and Cooperative Bank (NACB). Also the farm will access support on technical issues from the Entrepreneurship Development Centre where the personnel will receive education on how to manage the venture.

### **6.4 Value and Norms of the Company**

- To see her employees as her most valuable assets
- Corruption and vices would be abhorred while honesty, hard work and diligence would be rewarded.
- To always be available to her customers
- Staff integrity and personality would be preserve as we would seek to bring out the best in our employees by creating a good working environment
- To pay all her government dues on time.

## PARTVII

### 8.0 Risk Analysis

This project has been subjected to risk analysis and some inherent risks identified and appropriate measures preferred to avoid the business being disrupted. (See table below)

**Table 6: Identified Risks and their Mitigants**

<b>Identified Risks</b>	<b>Mitigants</b>
High mortality rate	Competent veterinary doctor to render medical service
Inconsistent water supply	Borehole will be dug for adequate water supply during dry season
Inconsistent power supply	A standby generator for alternate power supply

## **8.1 SWOT ANALYSIS**

### **8.1.1 Strengths:**

- High demand of pork and fish in the location of establishment.
- The standby generators will no small measure overshadowed the problem of power failure
- Presence of seething population
- Cheap house rent and labour.

### **8.1.2 Weakness:**

- Poor capital base experience during the start of the business
- Presence of existing piggery venture.
- limited experience and expertise of the owners in piggery farming.

### **8.1.3 Opportunities:**

- Adversely changing demographic attribute within the target market.
- High and huge deficit between available supply and demand.
- Closeness to the market and motor able road to convey product of the venture.

### **8.1.4 Threats:**

- Change in government policies.
- Initial low demand.
- challenge encounter trying to convince people about the superstition on pork.

To checkmate these threats, the venture will mount aggressive awareness campaign and other promotions that will portray the establishment as a venture where one can get hygienic and outstanding quality of pigs and fishes.

## **8.2 Exit Strategy:**



No exit is planned, rather diversification will be pursued.

## **PARTIX**

### **9.0 COMPANY FINANCIAL**

#### **9.1 Summary of Project Cost**

The total cost of the project is N 5,000,000. This is made up of N2,130,000 in fixed capital and N1870,000 in working capital.

#### **9.2 Fixed Capital Investments**

Olifirm Agro piggery venture is sited Igoro village, Akpa Edem Nsukka in Enugu state. The venture covers 3 standard plots of 50x150.the area is accessible by vehicle.

**Table 7: Fixed capital Investment**

S/N	DETAIL	QUANTI TY	UNIT PRICE (N)	TO(N)TAL AMOUNT (N)
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1.	Borehole	1	850,000	850,000
2.	Pig houses with 32 pens	2	80000	160000
3.	Delivery van	2	500,000	1,000,000
4.	Wheel barrow	5	6,500	45,000
5.	Generator set	1	75,000	75,000
	<b>TOTAL</b>			<b>2,130,300</b>

### 9.3 Other Expenses:

**Table 8: Shows the expenses incurred in running the piggery business**

Type of expenses	Year 1 (N)	Year 2 (N)	Year 3 (N)
Public advertisement	12,000	15,000	20,000
Business travels	20,000	25,000	30,000
Vehicle maintenance	95,000	120,000	150,000
Miscellaneous	70,000	75,000	80,000
<b>TOTAL</b>	<b>197,000</b>	<b>235,000</b>	<b>280,000</b>

### 9.4 Working capital forecast

Working capital items	Year 0	Year 1	Year 2	Year 3 (N)
Feeds and drugs provision.	350,000	380,000	400,000	450,000
Working capital	500,000	550,000	660,000	

				750,000
Salaries	450,000	550,000	700,000	820,000
Provision utilities	500,000	620,000	725,000	800,000
Debtors	25,000	30,000	32,000	35,000
Creditor s	50,000	75,000	80,000	95,000

**Table 10: Shows total start-up capital required for piggery farming**

S/N	Capital items	Amount (N)
1	Working capital	<b>1,870,000</b>
2	Machinery ,equipment and others	<b>2,130,000</b>
	<b>Total</b>	<b>4,000,000</b>

### 9.5 Financing plan:

The total cost of this project (Unique Icons piggery and fishery ventures) is to be funded as planned in the table shown below

**Table 11: financing plan**

Sources	Amount (N)
Owner's contribution	<b>2,500,000</b>
Bank loan	<b>2,500,000</b>
<b>TOTAL</b>	<b>5,000,000</b>

### 9.6 Loan repayment schedule and interest paid:

It is expected that the loan would attract an interest of 12% and that the funds are available to pay monthly interest as well scheduled repayments of the principal amount

**Table 12 Interest and repayment schedule.**

<b>Year</b>	<b>Loan</b>	<b>Repayment</b>	<b>Interest</b>	<b>Loan balance</b>
<b>1</b>	2,500,000	Nil	108,000	2,500,000
<b>2</b>	2,500,000	950,000	72,000	1,550,000
<b>3</b>	1,500,000	1,500,000	36,000	Nil

### 9.7 Balance sheet projection

**Table 13: Reveals details on balance sheet projections**

	<b>YEAR 0</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>
	(N)	(N)	(N)	(N)
<b>Fixed assets: machinery</b>				
and equity	2,130,000	2,130,000	2,130,000	2,130,000
others		197,000	235,000	280,000
<b>Net fixed assets</b>	<b>2,130,000</b>	<b>1,933,000</b>	<b>1,895,000</b>	<b>1,850,000</b>

<b>Current assets:</b>				
Stock of material	350,000	380,000	400,000	450,000
Balance in bank	250,000	1,500,000	2,200,000	3,100,000
Debtors	Nil	550,000	Nil	250,000
<b>Total of current Assets</b>	<b>600,000</b>	<b>2,430,000</b>	<b>2,600,000</b>	<b>3,800,000</b>
<b>Total Assets</b>	<b>2,730,000</b>	<b>4,363,000</b>	<b>4,495,000</b>	<b>5,650,000</b>
<b>Long term liabilities</b>				
Capital	2,500,000	2,500,000	2,500,000	2,500,000
Bank loan	2,500,000	2,500,000	1,500,000	Nil
<b>Total of long term liabilities</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>4,000,000</b>	<b>2,500,000</b>
<b>Current liabilities</b>				
Loan repayment			950,000	1,500,000
Creditors	120,000	135,000	150,000	200,000
Dividend				450,000
<b>Total current liabilities</b>	<b>120,000</b>	<b>135,000</b>	<b>1,100,000</b>	<b>2,150,000</b>
<b>Total liability</b>	<b>5,120,000</b>	<b>5,135,000</b>	<b>5,500,000</b>	<b>4,650,000</b>

### 10.0 Profitability Analysis:

**Table14: Reveals the details on the balance sheet projections**

	<b>Year 1 (4 months)</b>	<b>Year 2</b>	<b>Year 3</b>
Profit after Tax (N)	1,565,000	1,759,620	1,970,720

% Return on turn over	N/A	40.02%	52.61%
% Return on equity	N/A	89.76%	95%
% Return on Investments	N/A	65.44%	81.05%

## PART X

### 10.1 Cash flow projection:

By the second year of operation when the business has fully matured, the cash flow position is as shown below in table 15.

Year 2	Year 3
348,000	772,000

### 10.2 Projected balance sheet:

For the three years period, it was shown that share holders fund grew on the average.

(See table 16.)

Years of operation	Year 1 (N)	Year 2 (N)	Year 3 (N)
Shareholders fund	200,000	3,655,000	4,334,000

## **PARTXI**

### **11.0 Other Consideration and Conclusion:**

**11.1 Economic Justification:** From the view point of our study and analysis of the findings embodied in this plan, the project offers good benefits to the economy of country as it would create job opportunity for people around the area and generate wealth .In addition it is also been compatible with the vision 2020 and Millennium Development Goals (MGD's) of the Nigeria government.

**11.2 Commercial viability:** This project would be commercially viable as shown from our impressive projections, turnover, and cash flow and profit lines.

**11.3 Conclusion:** In conclusion, this proposed project (Olifirm Agro piggery rearing) is found to be technically feasible and desirable because it offers service to household, restaurant, farmers i.e. selling of pig dung and even create a job to those around the location. Thus it is highly recommendable for execution.