

UGOM LIFE PIGGERYFARM

45ABA-ROAD, UMUAHIA, ABIA STATE

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1.0 Executive Summary

1.11 Name of business:

The name is UGOM LIFE PIGGERY FARM

1.12 Legal form of business:

UGOM LIFE PIGGERY FARM is a sole proprietor business that is on the process of registration with the Corporate Affairs Commission (CAC).

1.13 Contact address:

45 ABA- ROAD, UMUAHIA, ABIA STATE

1.14 Telephone: 08166764659 Email: info@ugomlifepiggery.com

1.15 Type of business:

This is a sole proprietorship business.

1.16 Description of business:

Ugom Life PiggeryFarm is a company that breeds and sells pigs to provide pork meat for consumption. We breed little pigs known as piglets till they reach maturity where they would be sold for meat called pork. The need for pork meat is on the rise, and the current pig farmer does not meet the need for pig meat due to the demand in recent years has exceeded its supply. So, this business came into existence to bridge this gap, by making more pig meat to be available in the market.

Our customers cover all individuals that eat pork meat, restaurants, bars, hotels butchers.

The name of the owner of the business is; Abangwu ugonna she oversees the entire running of the business.

1.17 Job opportunities:

It will create 7 jobs directly.

1.18 Start-up capital:

It would require a start-up capital of N3, 949, 000 comprising of fixed asset of N2,409,000 working capital of N540,000, and others which amount to N1,000,000.

Table 1

A	Fixed capital	N2,409,000
B	Working capital	N540,000
C	others	N1,000,000

Total-N3,949,000

1.19 Source of capital:

The capital will be sourced as follows

Table 2

a	Owners capital	N2,700,000
b	Grant	N1,300,000
	TOTAL	N4,000,000

1.20 Profitability:

The business has the ability of raising above N30 million profits from the third year.

2.10 GENERAL INTRODUCTION

2.11 Background

Pork meat have consumed in ancient times. It forms part of most communities' delicacies. Nigerians are not also left out in the consumption of pig meat. Most people prefer it to other types of meat due to its sweet and fatty nature. That is why there had been different people from one town to another that are into the business of pig farming. Even at that, the demand for pork meat is not always met. That is why Ugom Life Pig Farm came into existence to bridge this gap, by making more pig meat to be available in the market.

Our customers cover all individuals that eat pork meat, restaurants, bars, hotels butchers

2.12 Vision Statement

Establish over ten (10) pig farms across the major cities of Nigeria in the next twelve (12) years.

2.13 Mission Statement

Become the leading pig farmer in Nigeria in the next ten years.

2.14 The Company

The name of the company is UGOM LIFE PIGGERY FARM. It is a new business and it is in the process of being registered.

2.15 Services Offered

We rear and sell mature pigs.

2.16 Legal form and ownership of business

The business is a sole proprietorship business that is in the process of being registered.

The main promoter which is also the owner of the company is;

ABANGWU UGONNA	-----	100%
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2.17 Location of the business

The business headquarters would be located at 45 ABA- Road, Umuahia Abia State. It is strategically positioned in Umuahia at the center of the town where there is access to road and feed for the pigs. Due to the location of the company's business premises, the business would experience great sales, since it is located at a strategic place where it could access the market easily.

The location has a challenge which is; insecurity experienced in the city, and thus, poses a danger to the growth of the business.

We choose the location despite the challenge because of the great number of customers we would have access to.

2.18 Industry Trend and Analysis

The industry is a growing business that has an all year demand for pork meat. This means that the industry is such that is not seasonal with great potential for sales, and generation of income for the business owner and his workers as well.

2.19 Business Strategy

To ensure we remain in business, we would always use cheap price, quality service and good customer relations as our business strategy to attract and keep our customers.

2.20 Key success factors

Our key success factors include; experience workers, easy access to feed for pigs, good location, and highly competitive price.

The Market

3.10 Target Market

The main targeted markets for now are all supermarkets, bars, hotels, restaurants and markets in Umuahia , aba and imo and other parts of the south eastern states. The size of the market is large, because it comprises of people from all works of life found in different location. The market is bound to increase because of the growing population of people and the demand for pork meat.

3.11 Sales and market share analysis

The market has the potential of offering us opportunity to sell matured that are more than 20,000 per year. For now we can control 10 to 15% of the market.

3.12 Profile of Competitors

COMPETITORS	PRODUCTS/SERVICES	COMPANY SIZE	TURNOVER	ADVANTAGES	DISADVANTAGES
Akanchawa Piggery Nigeria Ltd.	Pig farming and poultry farming	Employs over 16 workers.	Over N30million yearly	Have been long in the business.	Not located in an easily accessible place, and sales product costly.
Sunny bright pig farm and butcher Nig Ltd	Pig farming and a butcher	Employs about 12 workers.	Makes over N21million as turnover yearly.	Have competent personnel.	Just started in the business.

Competitive Advantages

Better life pig farm enjoys some measures of competitive advantages which are:

The location of our business is very strategic hence gives us great advantage over our competitors since they will access us easily. The cheaper price we present to our customers is also an added advantage.

Our good customer relations are also an added advantage.

3.13 SWOT Analysis

STRENGTHS	WEAKNESSES
<p>The great experiences of our workers are a plus to us.</p> <p>The ability to increase our services in order to meet demand.</p> <p>The location of our company which makes it easy to be accessed.</p> <p>Our cheaper price is also an edge over our competitors.</p> <p>Prior experience in pig farming.</p>	<p>The location of the business which makes us to pay much tax.</p>
OPPORTUNITIES	THREATS
<p>Ability to expand to great limit, since so many people in the Southern part of Nigeria eats pork meat.</p>	<p>Theft of our pigs.</p> <p>Disease outbreak in the farm.</p> <p>Fluctuating prices of fuel that might increase cost of operation.</p>

3.14 Demand and supply analysis and Estimating the initial installed capacity

Details	Size (numbers)
Potential demand to be served	30,000
Less 30% existing competitors	21,000
Available market (in the absence of expansion and very high entry wall)	120,000
Less 10% due to possible expansion of existing competitors and entrant of new ones.	108,000
Available market	300,000
Less 5% due to error in estimation	285,000
Available demand/qualified market/ demand supply gap	126,800

Initial installed capacity cat most 60% of available demand (served market)	
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4.10 Marketing Plan

4.11 Market segmentation

Pig farming belongs to the agricultural segment of the economy. The location of the business was done in relation to the market demand of pork meat and where production could be cheap.

4.12 Target market

The main targeted markets for now are all supermarkets, bars, hotels, restaurants and markets in Umuhia Aba Imo and other parts of the south eastern states.

But with time, we seek to extend our reach to cities like calaba, onitcha akwa and other south-south and south west states in Nigeria.

4.13 description of the edge of service

service	1	2
Denominatio n	Matured pig	
Packaging	No packaging	

4.14 Marketing Plan Price

Consumers are willing to pay highest N 45,000, average of N40, 000 and lowest of N25, 000 for every matured pig.

Our competitors prices ranges from highest of N45,000, an average of N40,000 and the lowest of N32,000.

The price we charge per matured pig is N30, 000.

This gives us advantage over our competitors because they charge higher than what we are charging. So, we would be able to command great patronage because of our price.

4.15 Market positioning strategy

The firm has not gained more ground in the market. So with good advert and price, we seek to gain more position in the near future.

4.16 marketing mix implementation tools

From time to time we would announce our services on the radio, promote it through the internet, and carry out periodic sales promotion.

4.17 Channel of distribution

Customers will deal directly with us.

4.18 Start-up promotion

For start up promotion, we would print banners and posters.

4.19 Alliances

The alliance we would enjoy from friends and customers would help us enjoy increase in our customer base.

4.20 Marketing calendar and Budget

For every six month we would print notebooks that are customized, banners and posters. We would carryout announcement in radio twice every week. All will cost us N42, 000 per year.

5.00 Production Plan

5.11 The Project

Piggery farming is the rearing of pigs in pen for the purpose of providing quality meat for consumption. Pork meat is consumed by majority of people especially in the south east due to its fatty meat and tasty meat. But the supply for pork meat had always been far greater than the supply over the years. Not just only that; there had also been need

for the supply of healthy pork meat. This project came up to address these issues and help to provide solutions.

It is a small scale business and a capital intensive business.

5.12 Production Process

Piglets are brought to farm, quarantined, placed in the pen, feed them for several until maturity, they are then sold.

5.13 The Production flow chart

Quarantine ----- Feeding -----Sales of mature pigs

6.10 Management and Organizational structure

The main promoter is the owner of the company and holds all the share of the company. She is;

ABANGWU UGONNA ----- 100%

Our financial adviser is Alex Financial Advisor Nig Ltd; 252 Aba Owerri road Abia State email: info@Alexfinance.com.ng, website: www.alexfinance.com.ng, telephone number: 07037152348

Our legal adviser is okezie solicitors; 07 Ziks Avenue , Umuahia AbiaState

Email: okeziesolicitors@gmail.com. phone number: 07037152348

6.11 Management team

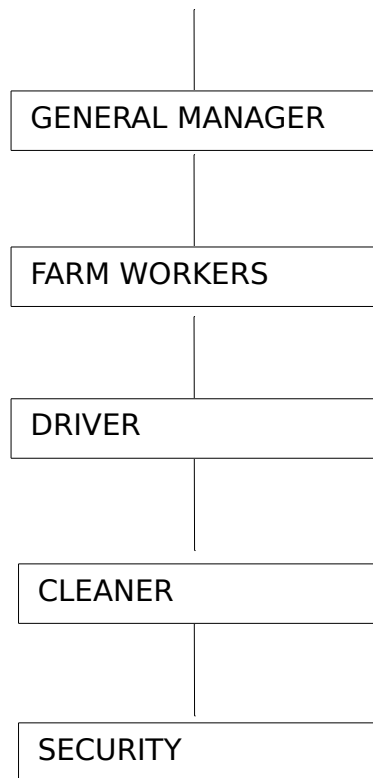
DESIGNATION	QUALIFICATION	YEARS OF EXPERIENCE	DUTIES
GENERAL MANAGER	HND in business management	4 years' experience as manager at Chisom Printing Press umuahia.	Overseas the day to day operation of the business.
FARM WORKERS	OND and WAEC..	Have experience in animal farming.	Feeds pigs, watch over them and treat them when necessary.
DRIVER	WAEC	3 to 5 years' experience at different companies	Driving and maintenance of trucks.
CLEANER	WAEC	No experience.	Cleans the pen, feeding and water trough, then carry out general cleaning.
SECURITY	WAEC	No experience.	Safe guards pigs and the feed.

Our future management needs.

The company would currently employ 7 persons, and would increase its number of staff to over 12persons after 5 years of operation.

6.12 Organizational structure

DIRECTORS



6.13 The personnel plan

S/ N	POSITION	NO. OF STAFF	SALARY PER STAFF PER MONTH	TOTAL ANNUAL SALARY
1.	General manager	1	N50,000	N600,000
2.	Farm workers	3	N30,000	N1,080,000
3.	Driver	1	N30,000	N360,000
4.	Cleaner	1	N25,000	N300,000
5.	Security	1	N20,000	N240,000

6.14 Organization's values and norms

Integrity, faithfulness, truth, faithfulness and diligence.

7.10 Legal, regulatory, social, and environmental issues

7.11 Legal Issues

There are no legal issues for now.

7.12 Regulatory and environmental issues

The service is not regulated, but on the process of registration with corporate affairs commission. The farm does not create any environmental hazard.

8.0 Financials

8.11 Equipments

S/ N	INVESTMENT	QTY	UNIT COST (N)	TOTAL COST (N)
1.	Land	5 acres	160,000	800,000
2.	Dwarf building	5	90,000	450,000
3.	EQUIPMENTS			
	i) Feeding trough	10	2,200	22,000
	ii) Water trough	10	1,500	15,000
	iii) Furniture		12,000	12,000
	iv) Generator	1	52,000	52,000
	v) Lighting		8,000	8,000
	TOTAL INVESTMENT			1,359,000

8.12 Sales Plan

PRODUCT/SERVICES	YEAR 1	YEAR 2	YEAR 3
Product/ Service	500	1,200	2500
Quantity			
Sales per unit	N30,000	N30,000	N28,000
TOTAL	15,000,00	36,000,00	70,000,00
	0	0	0

8.13 General cost of Administration

Item	Current (For existing projects only) (N)
SALARIES	2,580,000
FUELLING	43,500
TELEPHONE	24,000
ELECTRICITY	38,400
ADVERTISING	42,000
TOTAL EXPENSES	2,727,900

8.14 Working Capital Projection

8.15 Start Up Capital Needed

S/ N	ITEM OF EXPENDITURE	AMOUNT (N)
1.	Fixed asset investment (equipment and machines)	2,409,000
2.	Working capital	540,000
3.	Pre-operating expenditures	1,000,000
	TOTAL	3, 949,000

8.16 Financing Plan

S/ N	SOURCES OF FUND	AMOUNT (N)
1.	Owners capital	2,700,000
2.	Grant	1,300,000
	TOTAL	4,000,000

8.17 Schedule of Depreciation

S/ N	ITEM OF DEPRECIATION	INITIAL VALUA	SCRAP VALUA	LIFE SPAN	DEPRECIATION
1.	Generator	52,000	12,000	10 years	4,000
2.	Feeding trough	22,000	3,800	5 years	3,640
3.	Water trough	15,000	2,500	5 years	2,500
4.	Furniture	12,960	2,100	3 years	3,300
5.	Van	1,500,000	450,000	15 years	70,000
					N83,440

8.18 Final Accounts projection

PARTICULARS	YEAR 1, AMOUNT (N)	YEAR 2, AMOUNT (N)	YEAR 3, AMOUNT (N)
SALES	15,000,000	36,000,000	70,000,000
OTHERS	-----	-----	-----
NET SALES	15,000,000	36,000,000	70,000,000
LESS EXPENSES:			
SALARIES	2,580,000	2,580,000	2,580,000
FUELLING	43,500	43,500	43,500
TELEPHONE	24,000	24,000	24,000
ELECTRICITY	38,400	38,400	38,400
ADVERTISING	42,000	42,000	42,000
EQUIPMENTS	109,000	----	-----
LAND	800,000	----	-----
BUILDING	450,000	----	----
VAN	1,500,000	-----	-----
MAINTENANCE	74,000	87,000	92,000

PIGLETS	1,000,000	1,200,000	1,600,000
FEED	270,000	382,000	410,900
TOTAL EXPENSES	6,930,900	4,396,900	4,830,800
PROFIT BEFORE TAX/INTEREST	8,069,100	31,603,100	65,169,200
LESS INTEREST	-----	-----	-----
PROFIT AFTER INTEREST	8,069,100	31,603,100	65,169,200
LESS DEPRECIATION	83,440	83,440	83,440
TAXABLE PROFIT	7,985,660	31,519,660	65,085,760
LESS TAX (30%)	2,395,698	9,455,898	19,525,728
PROFIT AFTER TAX	5,589,962	22,063,762	45,560,032
NET PROFIT	5,589,962	22,063,762	45,560,032

8.19 Cash flow Projection

CASH FLOW	YEAR 1. TOTAL (N)	YEAR 2. TOTAL (N)	YEAR 2. TOTAL (N)
CASH IN:			
SALES INCOME	15,000,000	36,000,000	70,000,000
RE-INVESTMENT			
TOTAL CASH IN	15,000,000	36,000,000	70,000,000
CASH OUT:			
SALARIES	2,580,000	2,580,000	2,580,000
FUELLING	43,500	43,500	43,500
TELEPHONE	24,000	24,000	24,000
ELECTRICITY	38,400	38,400	38,400
ADVERTISING	42,000	42,000	42,000
OTHER EXPENSES	4,203,000	1,669,000	2,102,900
TAX	2,395,968	9,455,898	19,525,728
TOTAL CASH OUT:	9,326,868	13,852,798	24,356,528
NET CASH FLOW	5, 673, 132	22, 147, 202	45, 643, 472

Risks Analysis and Mitigants

9.10 Risk Contingent Analysis

S/ N	RISKS	MITIGANTS
1.	Bad debts	To curtail the effect of losing money as a result of debt, we have resolved not to sell our products on credit.
2.	Theft	To tackle the issue of theft, we have made provision for maximum

		security of our properties, and also employed security personnel.
3.	Accident	To checkmate the incidence of accident, we have made adequate provision for safety and would implement all preventive measures.

9.11 Contingency Plan

To tackle negative events that may happen unexpectedly and affect the smooth operation of the business, we have agreed to invest in insurance as the business grows so as to cater for unforeseen circumstances that may occur.

9.12 Exit Strategy

In the case where the business is experiencing steady loss, the exit strategy to employ may include; bringing in ne investors or selling the business off.

10.0 Other Consideration, Conclusion and Recommendation

10.11 Economics Justification

The benefits that are attached to the business make it of paramount importance. It will provide jobs to people, serve as a source of income, serve the need of the entire populace, and serve the good of the community where it is located.

10.12 Commercial Viability

Looking at the cash flow projection, the business would be able to generate N5, 673, 132, N22, 147, 202 and N45, 643, 472, as profits after 1st, 2nd and 3rd year of production. Thus, we are very optimistic that the business is a very commercially viable one.

10.13 Conclusion/Recommendation

Based on the above information supplied about our planned pig farming business, we greatly believe that the business would grow and expand greatly within the next five (5) years of production, thus, we recommend that the business be sponsored.