

**A BUSINESS PLAN on:**

**Profitable Commercial Poultry Egg Production  
Under A Semi-Automatic Layer Cage System**



*By:*

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## **1.0. PROJECT DESCRIPTION**

### **Issues Of The Nigerian Poultry Industry**

The poultry industry in Nigeria has had its shares of ups and downs the highest point between 1967 to 1970s i.e. the oil boom period when the poultry population attained about 110million in 1975 (Federal Office of Statistics annual abstract of statistics 1981) but in 1978/79 and particularly in the 1980's the industry experienced a down turn. At present the industry is operating at about 17-30% capacity of its 1975 peak.

Today, Nigeria is rarely meeting her poultry demand in poultry meat and eggs. Seventy percent (70%) of our consumed poultry products especially meat, are smuggled product. The demand for ready to eat eggs alone far outweighs the supply yet, countries like Niger, Chad and Northern Cameroon essentially depend on our little supply. Big Restaurants such as KFC, Sweet Sensation and Mr. Biggs compete for the available little supply, thereby, hindering the introduction of some recipes because of non-availability of poultry meat. Essentially, our egg supply can only attempt to meet our edible demand hence, the industrial need is completely left out. This calls for a great private participation in the Nigerian poultry industry. Thus, this has deemed it fit for us to be among the corporate investors to embark on a **1000 BIRDS CAPACITY SEMI-AUTOMATIC LAYER CAGE SYSTEM** in Ibadan, Oyo State.

### **Location And Site**

- This farm will be located at Ibadan, Oyo State, which will be built on a permanently acquired land that is suitable for this purpose. Ibadan climate and terrain is suitable for poultry farming and at large for agricultural purposes. More so, This location is an approved agricultural land mass by the government which will enhance the sustainability of this agricultural enterprise as land documents such as deed of ownership and certificate of ownership will be directly authenticated by the relevant government agency.
- This farm proposed location enjoys direct link to other state capital axis through an accessible and well tarred road that makes it easy for consumers of poultry products to reach without much ado.
- The proposed site of the poultry farm is a government approved agricultural land with planned security network that also makes it's a safe haven for business coupled with hospitable nature of the inhabitants of this area.
- Considering the agrarian nature of the proposed site, labour is readily available and affordable.

- Sustainability of this poultry farm is greatly enhanced because agro-related activities is dominant at the proposed location. This includes large expanse of arable land that could be leased in future to grow maize which is a major component for poultry feed production. Hence, making the venture highly profitable as cost could be reduced as much as twenty percent through direct milling of feed.
- Added to the above listed suitability factors of the proposed poultry site is the privilege offered for expansion in/and other agribusinesses and coordinated support from other farms around.
- The poultry site will be planned from the outset with the infrastructures well placed and spaced out.

## **2.0. MARKET OPPORTUNITIES**

- Going by the Federal Office of Statistics report that reveals 70% shortage in supply of poultry products including egg, there is a wide market for poultry products i.e. eggs, chickens and manure. The poultry farm is targeted to meet less than 2% of this shortfall in supply through media advertising.
- Poultry provides fresh and nutritious food and has a huge global demand. Global consumers of poultry products prefer them due to their nutrients and freshness. Poultry products are not much expensive and most of the people can afford those.
- The fact that the farm will be located in a semi urban location like (location) makes it produce available and accessible to restaurants, eateries and households.
- Egg production has been increased during last 10 years; Poultry meat production has been doubled. It contributes- poverty reduction, new employment generation, women empowerment and strengthened nutritional status in Nigeria.
- Poultry industry adds more values than any other industry. Some of these local poultry-based and value-added products have found some export markets as well. This represents an enormous opportunity for food producers, processors, and sellers.
- A Commercial Biogas plant will be constructed on the poultry farm in order to manage the waste generated on the farm. This will also serve as a means of generating power for the farm and additional source of income.

## **5. POULTRY HOUSES AND BATTERY CAGES:**

Layer production could be from **Day-old-chicks (DOC)**, or stock as **Point-of-Lay (POL) birds**. Layers can be reared on Deep litter system or Battery Cage system.

### **BATTERY CAGE SYSTEM**

Here hens are kept throughout their productive life time in cages. As such, they are strictly commendable for use by commercial egg producers. Caged birds are capital intensive but the merits include; ease of management, cleaner eggs, safety from breakages, minimal feed wastage, reduced water contamination and maximized space.

### **DEEP LITTER SYSTEM**

Starters with limited resources could start with deep litter system. It is affordable, litter materials are readily available. The major requirements are conducive housing and more intense management of the water, feed and litters. The roof in all cases should be heat repealing, made from asbestos, thatch etc. Vent, created to let out heat, wall should be less than two feet high, 'curtain' from sacks or tarpaulin provided to prevent entrance of rain water to prevent incidences of coccidiosis and other enteric diseases. Here hens are confined in a house with floor space of 8 to 10 birds/m<sup>2</sup> to ensure free movement. The floor should 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. Wood shavings are highly recommended for use since birds cannot eat them. Litter provide from the droppings. It also helps to prevent damage to the birds' legs due to slippery surfaces. Usually old litter is renewed when replacement stock arrives. It is advisable not to re-use old litter. After old litter has been removed out of the house, the floor should be cleaned and disinfected.

It is advisable that starters should minimise the cost of poultry house construction and utilise local materials as equipment so that the limited resources could be channel into productive running cost such as DOC or POL and feed.

**Starters could start with POL, 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 in rearing birds from chicks. Prices of POL ranges: 17weeks (N1200) and 19 weeks (N1400).

**We have 2 types of poultry houses:** Brooder/Rearing houses and laying houses

### **BROODER/REARING HOUSES:**

The house is constructed with a solid base wall of about 3 – 4 layer of concrete block coaches of 6 inches while the sides are open-sided covered with ¼ inch wire mesh with controllable curtains and the height is about 3 – 4m.

**TABLE 1:** Floor/Space Requirement For Growing Birds.

Age in weeks	Square feet per bird	Square meter per bird
0-6	0.13-0.54	0.0123-0.05
6-12	0.54-0.86	0.05-0.08
Point of lay	1.08-3.2	0.05-1.10
Thus, number of birds /meter square		9-13

Note that while making provision for floor space for brooder house, the final space requirement per bird must be the size of the house.



Picture: Gartech battery cage system

courtesy: Animal care

## **6.0. FEED AND FEEDING REQUIREMENTS**

Nutritional values of the birds vary from day old to their laying period. The feeding pattern is therefore based on the age of the bird.

- From 0 to 2 Weeks - broiler starter
- 2 to 8 Weeks - chick mash (change feed to grower mash when birds are 680gram of weight.)
- 8 to 16 Weeks - Growers mash (when birds are 1505grams of weight)
- 16 to 80 Weeks - Layer Mash (start this when birds are 10% production in lay.)

It should be noted that change from chicks mash to growers mash is based on the weight at the time, which is between 610 – 680gms while the switch from growers mash to layers mash is best when the birds have attained 10% lay, in both cases this change is done gradually with a gradual mixing of both types of feed. The later change can also be done based on the weight of the birds which should be between 1.7kg – 1.72kg.

## 9.0. FINANCIAL ANALYSIS

This plan is designed for the rearing of 1000 layer birds from a day old to end of laying. It is worthy to note that the prices used in this study are current prices as at November, 2017 and are subject to change without prior notice. However, feed prices are presently high due to the high cost of energy inputs, it accounts for between 70-75% of total cost of production.

### ➤ INCOME STATEMENT (Profit And Loss Analysis):

1000 birds will consume 84 bags of layer mash/month

#### Credit:

Income/month = 582,400 naira

#### Debit:

Cost of feeding per month at 28 weeks upward = 294,000 naira

Cost of salary per month = 70,000 naira

Miscellaneous = 10,000 naira

**Total monthly expenses = 374,000 naira**

Depreciation / month = 26,905 naira (5% of fixed asset

monthly - this amount should be saved every month for  
The next 10 years or more for replacement of equipment)

**Thus total monthly debit = 400,905 naira**

**Profit = monthly income – monthly debit**

**582,400 – 400,905 = 181,495 naira**

**Therefore, every month from 32 weeks, a profit of 181,495 naira is expected.**

To get the full business plan with all the financial implications, please, call 07039359066, 08053690844 or make an order at [darbotechub@gmail.com](mailto:darbotechub@gmail.com)

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