

## **EXECUTIVE SUMMARY**

Our business accomplishment as the Poultry farm, is to reach our profit margin that we have targeted for the first quarter of our business. Obtaining licensing and permits is one of our priorities as we are working towards our business ventures. Our business sells chickens, and we deliver to our retailers. Our vision is to become pioneers in poultry farming, pushing the boundaries of what is possible. We see a future where our responsible methods, dedicated care for animals, and creative solutions establish us as a symbol of top-tier quality and unwavering honesty. The reason why we started our Poultry farm is for the healthy of the people in our community. We have seen how people struggle with their health due processed meat. So, our goal is to sell organic, healthy and fresh chickens. Our goal is to create job opportunities to the youth in our communities. Our experience has not been the easiest because we are trying grow chickens organically, which means the process is not fast. We also struggled with recognition from retailer when we started the business as we were still growing.

## **COMPANY DESCRIPTION**

What sets our business apart from competitors is that our chickens are 100% organic with no added antibiotics or DES ADDED, the pricing of this will be lower than the minimum price of eggs which will provide more customers to get the business started. The products that we are selling which are chickens are helpful to the community and people because they are 100% organic which promotes good healthy lifestyle to the people, less diseases and sickness. Our services stand out as we deliver to our retailers, they do not have worry about transport and how the products are getting to them.

## **MARKET ANALYSIS**

### **• Target Market**

The business of rearing chickens has been around for a very long time. Similar to any other business, ours has competitors, but we also have supermarkets and grocery shops as part of our target market. Since we will be the stores' supplier, and this is where most people spend their money, fresh chickens will always be needed.

Our business's primary focus lies in meeting the constant local demand from the companies

we supply. While land is significantly less expensive and offers greater expansion potential, our company has its base in a rural area. In addition to these massive supermarkets, there are smaller, neighbourhood stores in small towns that we will be able to supply. After researching the current rivals, we decided to differentiate ourselves from them by offering organic chickens, which are tastier and healthier than commercial chickens.

Holiday sales are when we are most likely to make the most money, according to industry statistics and habits. That is the time when families congregate in one location and need meat, which is where we fit in.

### **• Competitor**

People like our chickens because they are healthier, juicier, and more tender when cooked because they are raised without the use of chemicals or antibiotics. The health of people who ingest chickens that have been injected may also suffer as a result. We will spread the word about the type of chicken that is currently being offered and how it might affect people's long-term health because our product is distinctive.

### **• Pricing and forecast**

Selling chickens will be the only thing our company sells. With the current rate of inflation, the cost of a fully grown chicken currently varies from R120 to R150. Since we will be starting the business with R40 little chicks, we will offer our chickens for R90. Our competitive edge will be that the business will rear the chicks to become chickens and make a profit of R50 each chicken.

## **FINANCIAL PROJECTIONS SUMMARIZED**

- Sales projection

<b><u>Quarter</u></b>	<b>Total revenue</b>
Q1	R155 500
Q2	R186 850
Q3	R219 460
Q4	R268 900
<b>Total year</b>	<b>R830 710</b>

The increase in the financial sales was caused by the fact that during the first quarter, the business was still being establishing its presence in the market and striving to be recognized by potential customers. Once the business gained a solid footing, sales began to increase.

- Expense budget (Direct cost)

<b><u>Quarter</u></b>	<b><u>Total revenue</u></b>
Q1	R85 600
Q2	R95 422
Q3	R115 590
Q4	R131 986
<b>Total year</b>	<b>R428 598</b>

- Indirect cost

<b><u>Quarter</u></b>	<b>Total revenue</b>
Q1	R52 500
Q2	R64 628
Q3	R72 519
Q4	R131 986
<b>Total year</b>	<b>R269 582</b>

The relationship between sales and expenses is interconnected, as sales increase, the company expands and progresses, leading to higher expenses. The growth of the business necessitated the addition of more employees, and with increased revenue, the company incurred higher tax obligations.

- Cash Flow Statements

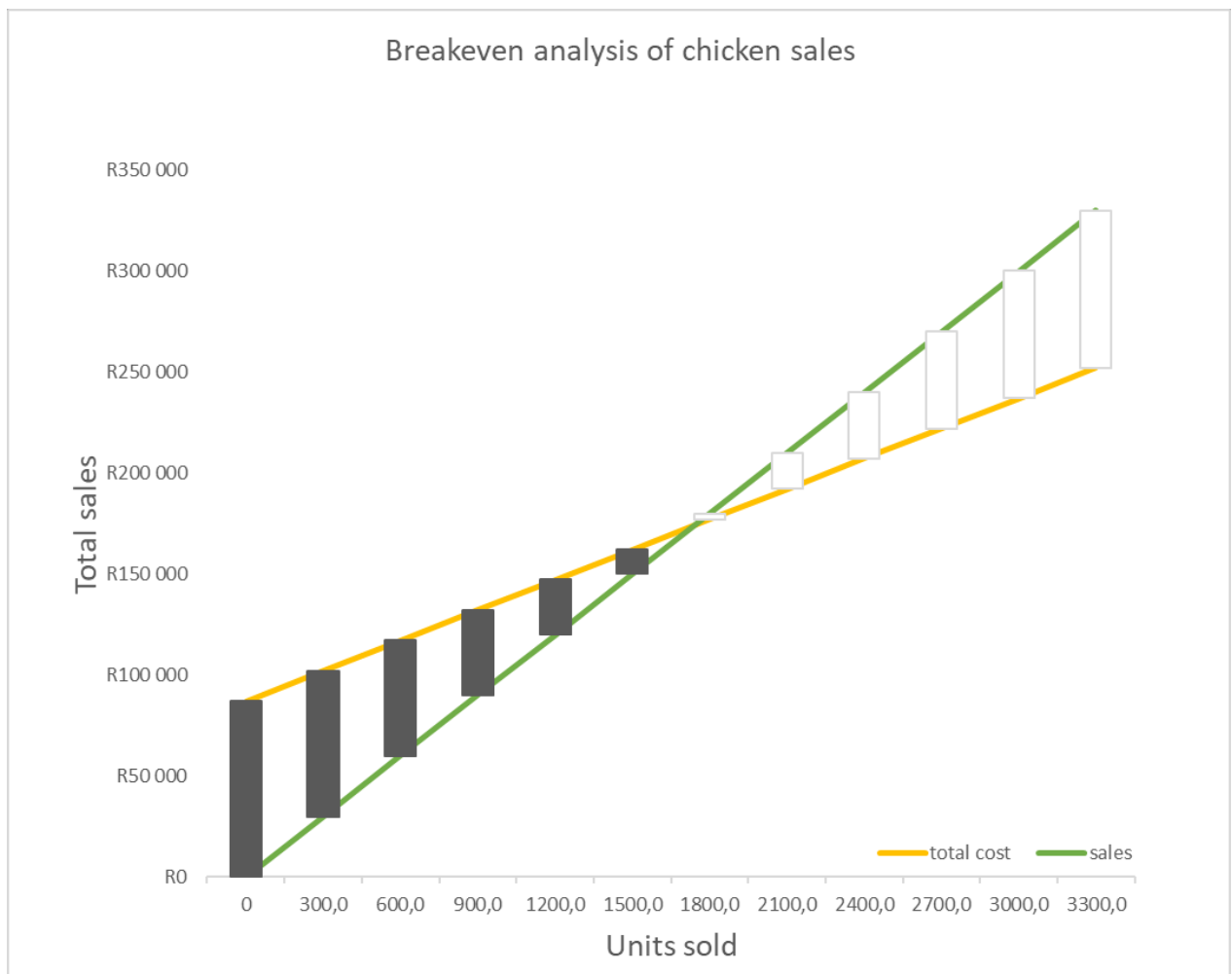
Quarter	Total cash received	Total payment	Cash increases/decreased
Q1	R706 500	R586 100	R120 400
Q2	R307 250	R293 100	R14 150
Q3	R233 610	R192 109	R41 501
Q4	R311 291	R229 381	R81 910
<b>Total year</b>	<b>R 1 558 651</b>	<b>R1 300 690</b>	<b>R257 961</b>

The first quarter's amount was significant because it included the capital used to initiate the business. Additionally, this encompassed the acquisition of assets such as land and vehicles, which were essential for the start-up. Despite these initial expenditures, the company is overall stable.

Quarter	Revenue & sales	Cost of sales	Gross profit	Net income
Q1	R155 500	R328 700	(R173 200)	(R160 900)
Q2	R186 850	R148 572	R38 278	R24 775
Q3	R219 460	R142 690	R76 770	R63 270
Q4	R268 900	R172 496	R96 404	R82 904
<b>Total</b>	<b>R822 710</b>	<b>R792 458</b>	<b>R38 252</b>	<b>R10 049</b>

When examining the company's sales without factoring in the initial capital, it might seem like the company incurred a loss as expenditure's exceeded generated revenue. However, it's important to note that the capital was utilized to cover the losses. The Cost of Sales includes expenses associated with the building and land that the company operates on, both of which were essentially acquired through the start-up funds.

## BREAK EVEN SUMMARY



The business starts to make a profit after 1742 chickens have been sold and with a sales amount of R174 206. The business will see positive growth after the first quartile which is after three months of being in business. There is a rising total cost because of the growth in inventory and the amount of chickens we produce in each quartile.