BUSINESS PLAN ON FISH FARMING

BUSINESS DESCRITION

Fish farming is the business of growing fish fingerlings into adult fish for sale and consumption. This will basically involve raising fish commercially in tanks and concrete enclosures.

VISION

To become one of the top ten biggest fish farms in the region.

MISSION

To provide an acceptable and healthy source of animal protein for human consumption while creating employment opportunities for Nigerians.

BUSINESS OVERVIEW

Fish remains the most acceptable and healthy source of protein for human consumption. It constitutes about 41% of the total animal protein intake by the average Nigerian which has led to a great demand for fish in the country. About 2.66 million metric tons of fish is required annually to satisfy the dietary requirement of its 150 million citizens. Main competitors in fish farming business are the importers of frozen fish and co-fish-farmers.

The business will focus on catfish farming, because of the relative higher demand for catfish. The high nutritional value and unique taste cost of production and mortality rates for catfish is one of the motive for preference to other fishes.

The business will employ the use of concrete ponds for production with a capacity for 1000 fishes. The ponds will be located within the high traffic residential environment that is not too far from business areas. Aquaculture experts will be consulted before, during and after business set up to guarantee high yield and lowest possible mortality rate. High breed fingerlings will be stocked and fed majorly with foreign feed while feeding will be supplemented with locally sourced feeds like organic wastes. With an estimated investment of N700,000 and a projected mortality rate of 2%, the expected return on investment is 50%. The business will kick off with 1000 fishes stocked in one concrete pond and the gross profit projected over a cycle of production is over N300,000.

MANAGEMENT

The success of a fish production business is greatly influenced by the management of the farm. The aim is to produce as many healthy and weighty fish as possible over the cycle of production. An increase of over 300% can be projected within a space of 4 years if farm is well managed.

This quality management team lies in their expertise and devotion.

The farm manager

This should be experienced personnel who must have a basic training in fish farming with proficient skill in hatchery and tendering of small fingerlings and juveniles.

There will be two helpers, a male and a female, to assist in all the departments of our operations, from nursery to the sales aspect

Accountant/Admin

This should be an experienced staff with basic knowledge of stock inventory and bookkeeping. The accountant will be responsible for interfacing with clients/customers to guarantee satisfaction and accountability.

Marketer with proficient skill in harvesting and sales will be hired as need arises

Security officer will also be required for 24 hours watch, depending on the location of the farm.

* RECORDS MANAGEMENT

Records management

Both the farm manager and Accountant would have a record book on which information on the number of stocked live birds, slaughtered and deaths are recorded. Record keeping helps the farmer to budget accurately and make informed decisions about the project.

The following records would be adequately kept.

– All feeds consumed and purchased

– Number of fingerlings purchased

– Mortality rates and causes

– Vaccination and other veterinary requisites expenses

– Labor and other variable costs

– Number of fish harvested daily

– Number of fishes sold and used for home consumption and wholesale records

– Water usage records and feed intake daily.

INDUSTRY OVERVIEW

Fish remains the most acceptable and healthy source of protein for human consumption. It constitutes about 41% of the total animal protein intake by the average Nigerian which has led to a great demand for fish in the country. About 2.66 million metric tons of fish is required annually to satisfy the dietary requirement of its 150 million citizens.According to a research paper in Kaduna state, the total aggregate of fish supply in Nigeria from all sources is less than 0.7 million metric tons per anum. Currently Nigeria has to import about 0.7 million metric tons valued at about $500 million to complement the shortfall.Nigeria has been ranked highest importer of fish due to the shortfall. Demand for fish was projected to have increased by 65% between 2011 and 2015 with a shortfall of about 1.5 million metric tons.

Statistics has revealed that Nigeria is the largest African aquaculture producer; with production output over 15,000 tons annually making up just about 4% of the national GDP according to Federal bureau of statistics in 2009. However Nigeria still spends up to $500 million on importation of fish annually while domestic supply ranges around 400,000 tons annually. More Fish farmers are therefore required by the nation in order meet up with the shortfall in supply of fish in Nigeria.

PRODUCTION

Production of cat fish is one business that demands care and expertise, the main expenditure in the production cycle is the fish feed and the staff salary. It takes a life cycle of about six months to get to maturity when fed adequately. Aquaculture experts will be consulted before, during and after business set up to guarantee high yield and lowest possible mortality rate.

The production will kick off with the construction of concrete ponds with flow through system for production with a capacity for 2000 fishes. Water will be supplied by borehole and treated to a suitable level of acidity (PH value higher than 6). Stocking of highbred healthy fingerlings from trusted source will be ensured. Foreign feeds and locally sourced organic wastes will be used to feed the fishes simultaneously.

Upon hatching, the small fish is started with atamia, this is the powder-like form of the feed, it is the most expensive of all the feed stages but the consumption rate of these fishes at this time is relatively minimal. This feed type contains adequate minerals, vitamins and nourishment to support growth, development and protection hence they are specially made. A matured cat fish is expected to weigh one kilogram or above. Table below gives a description of feeding plan from day1 to maturity in 6 months.

|  |  |  |  |
| --- | --- | --- | --- |
| FEED TYPE | ATAMIA | Feed size;  0.2, 0.6, 08, - 1mm | Feed size;  1.2 - 2mm |
| CONSUMPTION PERIOD | 0 – 3WEEKS | 1 – 3MONTHS | 3 – 6MONTHS |

TARGET MARKET

* Industrial users that utilizes the fish for fish meal production and other products
* Cold room buyers within the state
* Market women and hotels around the business locality
* Event planners
* Restaurants and Hotels

MARKETING PLAN

The business will employ several marketing strategies. However, initial marketing activities will be streamlined to affordable and effective marketing activities. Initial activities will include the following

-Negotiating of supply contract with restaurants

-Word of mouth advertisement to individuals /families

-Religious platforms and social clubs

-Internet, mobile media, websites and social media

-sponsorship of events in community

-handbills and banners

-Radio adverts

In addition to the above, services of the available modern fish driers will be contracted to make smoked fishes to serve as varieties.

COMPETITION AND UNIQUENESS/COMPETITIVE ADVANTAGE

Major competitors in fish farming business are the importers of frozen fish and co-fish-farmers.Others include poultry farmers and other animal farm businesses. As in many other small scale businesses, fish farming has become an all and sundry enterprise due to the relatively low entry. Competition exists at every level both from big players and small scale businesses.

Sales in business can however be guaranteed by having a spectacular unique selling point. Uniqueness lies in providing quality and healthy fishes at very affordable prices with an outstanding distribution and delivery plan powered by an excellent customer service.

Regular health checks on the fishes will guarantee healthy and nutritious fishes are produced.

A major competitive advantage is the Location of the farm in the central highly populated areas of the city will guarantee access to feeds and other materials needed. It will also make delivery and customer service easier. Use of personal landed properties and buildings will help reduce cost greatly to be considered as an advantage.

RISK FACTORS AND MITIGATION

• Payback period of 6 months; a small scale startup other sources of revenue will be engaged while business is still budding

• Requires skillful Labor - adequate hands will be employed

• Fishes are prone to hawks, snakes which can cause massive loss - clean and hygienic environment will be strictly maintained and neat

• Lack of support from the government - proper business planning based on personal funding will be done without reliance on government input

• High start-up capital - Accurate financial analysis will be carried out to maintain proper cash flow.

FINANCIAL ANALYSIS

The business will employ the use of concrete flow through system ponds for production with a capacity for 2000 fishes.With an estimated investment of N700, 000 and a projected mortality rate of 2%,the breakdown of costs is give below

|  |  |  |  |
| --- | --- | --- | --- |
| START UP REQUIREMENTS |  |  |  |
| 300 blocks | |  | 36,000 |
| 15 Cement | |  | 24,750 |
| 1 trip of sand | |  | 28,000 |
| 1 trip of gravel | |  | 32,000 |
| labour | |  | 15,000 |
| plumbing | |  | 10,000 |
| borehole | |  | 90,000 |
| water treatment | |  | 25,000 |
| highbreed fingerlings | |  | 60,000 |
| feeding 20 bags of foreign | |  | 100,000 day 1 to maturity |
|  | |  | 420,750 |
| mortality 2% | |  | 20 |
| average weight | |  | 1.7kg |
| cost per fish | |  | 700 |
|  | |  |  |
| total sales | |  | 1,372,000 |
| total expenses | |  | 420,750 |
| gross profit | |  | 951,250 |
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