

I'm not robot!

Background

- Pig production has been on the increase in Uganda. According to information from (MAAIF 2011) the numbers of pigs in Uganda has been increasing by 3% today's more than two million pigs are in the hands of 1.1 million households (MAAIF 2009).
- In 2011, Uganda had the highest per capita consumption of pork in sub-Saharan Africa (3.4 kg per person per year) (ILRI 2011).
- However, the pork production is characterized by several constraints, like limited market information and standards, poor slaughter technologies and infrastructures, disease control and public health concerns which poses a health risk to pork consumers. (ILRI 2014).
- Therefore there is a need for a central pig abattoir where pigs can be properly slaughtered, inspected for quality before being released to the market for consumption.

**DON'T START A
PIG FARM BUSINESS
UNLESS YOU WATCH
THIS FIRST!
EYE-OPENER!**

CEO/MD of _____ Pig farms will be experienced in management and farming operations. The skills of the business administrator will be very important. The Manager has entrepreneurial qualities of determination and innovation that will make him succeed in the business. Farm attendants 2 Will do the stocking, feeding, and maintenance of the farm. They will operate under supervision. Will be trained to do the job. Farm vet doctor 1 Will be visiting the farm twice a month to inspect the health condition of the pigs, and other future livestock products. He/she will be an experienced veterinary doctor. Chief accountant 1 It will be on a contract basis on the farm. The accountant is needed for financial advice and audit. He/she will be an experienced accountant. Farm lawyer 1 It will be on a contract basis I the farm. He shall be responsible for purchasing the company properties, legal advice, and other legal issues in the company. I will be an experienced lawyer. Security men 2 Will ensure the security of the farm. gatekeeping, and the constant secured status of the farm. Will be experienced in security and gatekeeping work. Farm driver 2 In charge of driving the company vehicles. Experienced drivers with at least an o' level certificate. Details of the salary schedule SALARY STRUCTURE FOR 3 YEARS _____ 1ST YEAR SALARY STRUCTURE STAFF MONTHLY SAL. 4-MONTH SAL. ANNUAL SAL. Farm director N 25, 000N 100, 000N 300, 000 Farm attendant 1N 12, 000N 48, 000N 144, 000 Farm attendant 2N 10, 000N 40, 000N 240, 000 Farm attendant 1N 10, 000N 40, 000N 120, 000 Total N 188, 000N 564, 000 _____ 3RD YEAR SALARY STRUCTURE Same as 2nd year. Organizational Structure The expected hierarchy and channel of information flow in _____ Pig farms can be best described using the organizational chart. Financial Plan Financial assumption Some of the important assumptions that support my estimation is as follows: The loan interest rate is assumed to be 9% The loan and accrued interest rate are paid annually and spread across the 4 months of the year by dividing by 3 It is assumed that insurance premium is at 2% of total insurable risk It is assumed that the depreciation rate is 20% It is assumed that the price is constant over a given period It is assumed that the mortality rate on the farm is 4% It is assumed that the cost of sales/buying is constant over a given period It is assumed that the maturity/harvest time is 4 months The profit and loss plan is calculated in 4 months. Start-up capital Activity Description/ details Amount Pre-operating expenses Borehole 250,000 Plastic tank 125,000 Generator 150,000 10 chamber room building 1,800,000 Initial stock 100 weaner and transport 800,000 Initial operation Blood meal 180,000 Expenses PKC (feed) 800,000 Antibiotics, drugs, treatment, and disinfectants 140,000 Transportation 60,000 Labour 40,000 Veterinary doctor services 40,000 Advert and miscellaneous 20,000 TOTAL 4,405,000 Source of Capital Source Amount Shareholder Equity 500,000 Loan 4,000,000 Total 4,500,000 Security for loan The security to access loan capital shall be a parcel of land located at "location" Loan repayment plan LOAN = N 4, 000, 000 INTEREST RATE = 9% Year Loan Balance Interest Amount Due Monthly Repayment Total Paid 1 4,000,000.00 360,000.00 4,360,000.00 180,000.00 1,080,000.00 2 2,920,000.00 262,800.00 3,182,800.00 150,000.00 1,800,000.00 3 1,220,800.00 101,735.00 1,322,535.00 NOTE: The loan is repaid monthly after 6 months period of moratorium. Total repayment period of 30 months. Business Risk and Mitigating Factor Business risk Some of the risks normally encountered are as follows: Risk of diseases outbreak Risk of stunted growth Risk of malnutrition Risk of deflation Risk of stealing Burning encroachment Increase in price of raw material with a decrease in the sale price Increase in tax Increase in cost of production Implementation of harsh policies Damage or loss of equipment's Mismanagement of fund etc. SWOT analysis Strength and opportunity of the business There are business internal environmental factors that can affect the business. - Patents: - _____ Pig farms will ensure that our products will be certified by the standard organization of Nigeria (SON) and get our trademark. Also, our future services like the company's book will be patent so that no illegal competitor can copy them. - Strong brand names: - One unique marketing strategy of our products is that it is not meant for everybody, our products are only meant for our customers, so we produce a commodity, but a brand. At the startup of the strong brand name, but with time we shall succeed. - Good reputation among customers: - _____ company is a business where there shall be trust between us and our customers. We shall maintain quality, make on-time delivery of our products to our suppliers, and keep to our words. - Cost advantages from proprietary know-how: - the management of _____ Pig farms here made through research and discovered the best way to optimize the cost of pig production. We can now harvest our matured pigs in 4-months against most of our competitors that almost spend 7-8 months to raise a mature pig. Opportunities and threats (O.T.) - There are business external environmental factors that can affect business growth and profits. - Unfulfilled customers need: - The mission of _____ Pig farms is to innovate and respond to the customer's needs in a well-defined market. The producers of pigs (pork meat) in Abia State and its environs do not produce enough meat to satisfy the market. There is still a demand-supply gap, and _____ Pig farms want to bridge this gap with our unique product. - Government regulations: - Nigerian government wants the number of local producers to increase before placing a ban on imported livestock food. If it happens it will give us the great size of the market. Financial Forecast Sales forecast Cost of piglets forecast Operating expenses forecast Profit and loss account Cash Flow Plan Miscellaneous Annual profit projection Insurance details 1ST YEAR INSURABLE ASSETS Asset Amount Plastic tank (2) 125000 Generator 150000 10 chamber room for pigs 1,800,000 Borehole 250,000 Total 2,325,000 Insurance premium 2% of insurable assets per annum Premium 55,200 per annum 3RD YEAR INSURABLE ASSETS Same as year 2.