**Annex 3**



SWEET CHICKEN PIECES LTD

Business Plan for Poultry (Broiler) Rearing Project

Submitted to

Citizens Economic Empowerment Commission

Sweet Chicken Pieces

Example

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Sweet Chicken Pieces

Example

**Executive Summary**

The Business has been operational for two years now although it was only registered as Sweet Chicken Pieces Ltd, a Private Company Limited by Shares on 9th November 2010. Sweet Chicken Pieces began with a 600 bird capacity poultry house in 2007. The Company then built 2 more poultry houses each with a capacity of 1000 birds.

As Sweet Chicken Pieces Ltd, our vision is to be Zambia’s leading poultry growers by the year 2025. This will be by diversifying into egg production and increasing production Broilers to 100,000 birds every six weeks.

Dealing in poultry rearing has been promising and profitable. The main hindrance however, has been lack of adequate finances for full utilization of our available capacity. Once financed the Company should be expected that Sweet Chicken Pieces Ltd will be among the leading producers of broiler chickens.

The poultry industry in Zambia is very profitable. The main income source for the Business is from the sale of broiler chickens. An additional source of income is from the sale of chicken manure. As poultry farmers we have a positive impact on our community as we add nutritional value to the diets of surrounding families. Paying the women who slaughter and clean the chickens when ready with the intestines and heads does this.

Sweet Chicken Pieces is applying for a loan of K92, 827,000 from Citizens Economic Empowerment Commission. This will facilitate for the renovations of our current chicken runs, allowing Sweet Chicken Pieces to fully utilize its capacity to rear broiler chickens.

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Sweet Chicken Pieces

Example

**1. Vision**

By the year 2025 Sweet Chicken Pieces Ltd has a vision of being Zambia’s leading poultry farmers by diversifying into egg production with an annual production of 15 million trays of eggs and achieve production of 110 000broilers every six weeks.

**2. Mission**

Sweet Chicken Pieces Capita Pieces’ mission is to increase current broiler production by making full use of its poultry houses through renovations and fully stocking the poultry houses and providing its chickens with high quality feeds. In the long term Sweet Chicken Pieces will reduce the cost of production by producing its own high quality feed.

**3. Business Background**

Sweet Chicken Pieces commenced its business activities in May 2009; it was formally registered as a Sweet Chicken Pieces Ltd, a Company Limited by Shares on 9th November 2010.

Its core business activities are the sale of broiler chickens.

**4. Problem Statement**

The main problem faced is lack of sufficient working capital to operate at full capacity of producing 2500 birds every six weeks because:

* The first poultry house, has a capacity of 500 birds, is not in a usable state. The building is not completely safe and it would be highly risky to rear birds in this poultry.
* The second poultry house with the capacity of 1000 birds but is not complete. The floor still has to be completed, a few roofing sheets are required and the wire mesh wall has to be erected.
* The third and last poultry house is in good condition. However Sweet Chicken Pieces is not able to fully utilize its full potential of housing 1000 due to insufficient funds.
* Sweet Chicken Pieces is also facing a major challenge of transportation of chicks, feed and chickens.

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Sweet Chicken Pieces

Example

1. **Solution Statement** 
   * Both the first and the second poultry house will be renovated to make them useable.
   * As the last poultry house is underutilized with the sufficient amount of working capital we expect to work at full capacity, by purchasing 1000 birds for the poultry house
   * Sweet Chicken Pieces will purchase a three tone truck to help with the transportation of feed and the chickens.
2. **Description of Business Operations**

At present Sweet Chicken Pieces Ltd is under utilizing its capacity due to lack of working capital. However once it receives funding from CEEC it will be able to operate the two main chicken runs at full capacity of 2500 birds.

The Company will be run by two directors and the poultry house supervisor. The poultry house supervisor will be responsible for the day to day activities in the poultry houses.

Upon funding, for each batch an order of 2000 day-old chicks will be made with Golan Poultry Solutions about two weeks before the expected delivery date. A day old chick costs K3800. During the 2 weeks of vacancy the poultry houses will be disinfected in preparation for the chicks. Saw dust is used for ground cover throughout the 6 week period of growth. Each poultry house needs about fifty 50kg bags of sawdust for the whole period.

On the day of collection, a 3 tonne canter truck will be used to collect the day old chicks as well as the 40 bags of starter feed. Currently, Sweet Chicken Pieces does not have a truck, however once funded, it intends to purchase one from Gambhir Enterprise Limited. Upon arrival, each chick is given a dose of a stress relief solution. The stress relief medication is given to each day old chicks; during this process the birds are accounted for. Sweet Chicken Pieces maintains record charts in each of the poultry houses containing all the relevant details of the birds for instance, the number of birds received, mortalities, vaccination days etc.

Every morning drinkers and feeders are filled with feed and water respectively. These are refilled during the day as and when the need arises. For the first 20 days it is essential to keep to poultry houses as warm as possible; by using heated charcoal braziers. About ten bags of 25kg bags of charcoal are used for the 20 days. A bag of charcoal costs K20, 000.00.

Vitamins are added to the water given to the chicks. Vaccination is done on the 10th, 12th, 18th and 21st days. The chicks are vaccinated with Lasota on the 10th and 18th day and

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Sweet Chicken Pieces

Example

Gambaro on the 12th and 21st days. On the vaccination dates the chicks are left to thirst until 10 o’clock so that when the water and vaccine solution is given to the chicks, each will drink sufficient quantities of the water containing the vaccine.

At the end of the six-week period the chickens are ready for sale. Some of the chicks are sold to marketers from Soweto, Garden, Chawama and Chaisa markets the rest are slaughtered, packed and refrigerated in preparation for sale to individual customers and takeaway’s. Depending on the type of customer the chicken prices vary. The prices for individual customers are K25, 000.00 per chicken, for marketers the price is K23, 000.00 per chicken whilst for take a way’s the price is at K12, 000.00 per kilo. Chickens are delivered to our clients.

**7. Income Sources**

Our main income sources will be:

* 1. Chicken Sales
  2. Manure Sales

1. **Market** 
   1. **Market Overview**

The market of chicken in Zambia is very vast. Everyday chickens are consumed by households, fast food restaurants, restaurants or at various events. There is great demand for chickens in Lusaka and the country as a whole as it is substantially cheap compared to red meat and pork.

**8.1.1. Trends in Demand**

There is great demand for chickens in Zambia because chickens are consumed on a daily basis in the country. The demand for broiler chickens comes from individual households, restaurants, hotels, organization holding workshops and Supermarkets.

**8.1.2. Trends in Supply**

The main suppliers of chickens are Zambeef, Hybrid, Luscold, Zambezi Nkuku and other individual small scale farmers. The demand is higher than the supply because with the high cost of feed, many people are discouraged from engaging in broiler chickens. Many potential chicken suppliers do not realize that as long as they are able to maintain high volumes and constant supply of chickens, the business is profitable.

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Sweet Chicken Pieces

Example

1. **Competitiveness Analysis** 
   1. **Location**

We are currently located in Lusaka West on the outskirts of the city. Being in a farming designated area we are at a greater advantage than some of our competitors who are in town as it is much easier for us to expand our capacity. We are not very far from Soweto Market. This makes farm easily accessible to marketeers.

**8.2.2. Technology**

The drinkers that we have are automated and once installed correctly we will reduce on the amount of manual work. Very few of our competitors may have automated drinkers and feeders. With CEEC funding, we hope to have an automated feeding system that will enable us to compete more favorably with our competitors by significantly reducing handling costs.

**8.2.3. Volume**

We currently have a capacity of 2000 birds; if this capacity is fully utilized, it will enable Sweet Chicken Pieces to generate meaningful profits. Our main competitors deal in larger quantities than 2000 birds, however as we become experienced with lager quantities we too will increase our stock.

**8.2.4. Quality**

Our birds usually grow to an average of about 2 kilograms, which is the desired market weight. The weights of our competitor’s birds vary. Some birds may weigh more than 2 kilograms while others may weigh less than 2 kilograms. The heavier the chicken the more expensive it is.

**8.2.5. Cost**

The current costs incurred in broiler rearing are very high. This cost is directly influenced by the high cost of feed. To tackle this problem, in the near future we intend on having the capability to formulate our own feed. This will result in higher profit margins than most of our competitors.

**8.2.6. Price**

Sweet Chicken Pieces currently prices its chickens at the average market price of K23,000 to K27,000 depending on the type of customer. With the injection of capital

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Sweet Chicken Pieces

Example

by CEEC ,Sweet Chicken Pieces will be able to adopt a very competitive pricing policy as it will be enjoying economies of scale.

**9. Management Strategy**

**9.1. Personnel**

Our personnel will consist of:

-2 Directors

- 1 Supervisor

The directors will be involved in the day to day running of the business particularly with the purchases, sales, customer relations and banking.

The supervisor will be involved in ensuring that the feeders and drinkers always have feed and water in them. He will also be involved in the vaccinations of the chickens. In addition the supervisor will take up the role of ensuring that the premises is secure at all times.

**9.2. Phasing**

In the next five years we expect our workforce to increase in number to 10 permanent employees considering the plans of diversification into production of eggs. This also takes into consideration that the business will be more technologically inclined.

**10. Budget**

The budget is set on an annual production of 5 batches. For each batch, 2000 birds are reared:

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|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Sweet Chicken Pieces | |  |  | Example | |  |  |
|  |  |  |  |
| **BUDGET - Zenith Capital Solutions - Year 1** | | |  |  |  |
| BUDGET | |  |  |  |  |
| **Unit** | **Cost/Unit** | **# of Units** | **TOTAL (ZMK)** |  |  |
| A | **PERSONNEL COSTS** |  |  |  |  |  |  |
|  | ***Salaries*** |  |  |  |  |  |  |
|  | Directors | Monthly | 1,000,000 | 5 | 5,000,000 |  |  |
|  | General Worker | Monthly | 300,000 | 5 | 1,500,000 |  |  |
|  | **SUBTOTAL SALARIES** |  |  |  | **6,500,000** |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| B | **TRAVEL & TRANSPORTATION** |  |  |  |  |  |  |
|  | Fuel costs | Monthly | 200,000 | 12 | 2,400,000 |  |  |
|  | **SUBTOTAL TRAVEL & TRANSPORTATION** |  |  |  | **2,400,000** |  |  |
|  |  |  |  |  |  |  |  |
| C | **INFRASTRUCTURE & EQUIPMENT** |  |  |  |  |  |  |
|  | Feeders | Unit | 10,200 | 40 | 408,000 |  |  |
|  | Automated Drinkers | Unit | 76,790 | 40 | 3,071,600 |  |  |
|  | Bulbs | Unit | 2,500 | 10 | 25,000 |  |  |
|  | Roofing Sheets | Unit | 60,000 | 50 | 3,000,000 |  |  |
|  | Cement | Bags | 55,000 | 50 | 2,750,000 |  |  |
|  | Stones | Unit | 180,000 | 20 | 3,600,000 |  |  |
|  | Door and Door Frames | Unit | 300,000 | 1 | 300,000 |  |  |
|  | Wire Mesh | Meters | 6,250 | 80 | 500,000 |  |  |
|  | Canter Truck | Unit | 60,000,000 | 1 | 60,000,000 |  |  |
|  | Computer and Pastel | Unit | 10,200,000 | 1 | 10,200,000 |  |  |
|  | **SUB TOTAL EQUIPMENT** |  | **Total** |  | **83,854,600** |  |  |
|  |  |  |  |  |  |  |  |
| E | **ADMINISTRATION COSTS** |  |  |  |  |  |  |
|  | ***OFFICE ADMINISTRATION COSTS*** |  |  |  |  |  |  |
|  | Communication (Telephone & Fax) | Monthly | 100,000 | 12 | 1,200,000 |  |  |
|  | Utilities Electricity | Monthly | 500,000 | 12 | 6,000,000 |  |  |
|  | General Office Supplies | Monthly | 500,000 | 12 | 6,000,000 |  |  |
|  | Bank Charges | Monthly | 250,000 | 12 | 3,000,000 |  |  |
|  | Vehicle Repairs and Maintenance | Quaterly | 1,000,000 | 4 | 4,000,000 |  |  |
|  | Fuels and oils | Monthly | 500,000 | 12 | 6,000,000 |  |  |
|  | **SUBTOTAL ADMINISTRATION COSTS** |  |  |  | **26,200,000** |  |  |
| F | **WORKING CAPITAL** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  | Chicks | Unit | 7,240,000 | 5 | 36,200,000 |  |  |
|  | Starter Feed | Unit | 6,160,000 | 5 | 30,800,000 |  |  |
|  | Grower Feed | Unit | 9,120,000 | 5 | 45,600,000 |  |  |
|  | Finisher | Unit | 8,760,000 | 5 | 43,800,000 |  |  |
|  | Vaccines | Unit | 200,000 | 5 | 1,000,000 |  |  |
|  | Vitamins | Unit | 226,000 | 5 | 1,130,000 |  |  |
|  | Charcoal | Unit | 200,000 | 5 | 1,000,000 |  |  |
|  |  |  |  |  |  |  |  |
|  | **SUBTOTAL WORKING CAPITAL** |  |  |  | **159,530,000** |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  |  |  | **Total** |  | **278,484,600** |  |  |

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Sweet Chicken Pieces

1. **Facility**

**11.1. Purpose, Tenure, Amount**

Example

We would like to receive funding for the following:



**FACILITY AMOUNT**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | Quantity | Per Unit | 3Batches |
| **Woking Capital** |  |  |  |  |
| Day old chicks |  | 2000 | 3,800 | 7,600,000.00 |
| **Feed** |  |  |  |  |
| Starter |  | 32 | 130,000 | 4,160,000.00 |
| Grower |  | 48 | 121,000 | 5,808,000.00 |
| Finisher |  | 60 | 115,000 | 6,900,000.00 |
| Charcoal |  | 5 | 200,000 | 1,000,000.00 |
| **Vaccines** |  |  |  |  |
| Gumboro |  | 4 | 30,000 | 120,000.00 |
| Lasota |  | 4 | 15,000 | 60,000.00 |
| Keproceryl |  | 4 | 24,000 | 96,000.00 |
| Stress Aid |  | 20 | 13,000 | 260,000.00 |
| Kepcide |  | 1 | 45,000 | 45,000.00 |
| Vitamins |  | 1 | 226,000 | 678,000.00 |
|  |  |  |  | 26,727,000.00 |
| **Infrastructure** | **&** |  |  |  |
| **Equipment** |  |  |  |  |
| Roofing Sheets |  | 50 | 70,000 | 3,500,000.00 |
| Canter Truck |  | 1 | 60,000,000 | 60,000,000.00 |
| Wire Mesh |  | 1 | 1 | 500,000.00 |
| Feeders |  | 20 | 20,000 | 400,000.00 |
| Drinkers |  | 20 | 20,000 | 400,000.00 |
| Capenters |  | 1 | 1,300,000 | 1,300,000.00 |
| Subtotal |  |  |  | 66,100,000.00 |
| Total |  |  |  | 92,827,000.00 |



The total amount Sweet Chicken Pieces Ltd is requesting for from CEEC is **K92,** **827,600**.

The purpose of the funding is for working capital for the first three batches of broilers as well as for the renovations of infrastructure and the purchase of equipment and the Isuzu 3 tonne Canter. This is so that we are able to work at a fully utilisation capacity and work efficiently.

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Sweet Chicken Pieces

1. **Drawdown Plan**

The drawdown plan as indicated on the next page:

Example

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Activity** | **1st Quarter** | **2nd Quarter** | **3rd Quarter** | **4th** | **Total** |
|  |  |  |  | **Quarter** |  |
|  | Amount | Amount | Amount | Amount | Amount |
|  | **ZMK** | **ZMK** | **ZMK** | **ZMK** | **ZMK** |
| Purchase of 3tonne | 60,000,000 |  |  |  |  |
| Isuzu Truck |  |  |  |  | 60,000,000 |
|  |  |  |  |  |  |
| Computer & Pastel | 10,200,000 |  |  |  | 10,200,000 |
| Software |  |  |  |  |  |
| Purchase of Feeders | 400,000 |  |  |  | 400,000 |
|  |  |  |  |  |  |
| Purchase of Drinkers | 400,000 |  |  |  | 400,000 |
|  |  |  |  |  |  |
| Purchase of chicks | 7,600,000 |  |  |  | 7,600,000 |
|  |  |  |  |  |  |
| Purchase of Starter | 4,160,000. |  |  |  | 4,160,000 |
| Feed |  |  |  |  |  |
| Roofing Sheets | 3,500,000 |  |  |  | 3,500,000 |
|  |  |  |  |  |  |
| Purchase of Grower | 5,808,000 |  |  |  | 5,808,000 |
| Feed |  |  |  |  |  |
| Charcoal | 400,000 | 400,000 | 200,000 |  | 1,000,000 |
|  |  |  |  |  |  |
| Carpenters | 1,300,000 |  |  |  | 1,300,000 |
|  |  |  |  |  |  |
| Wire Mesh | 500,000 |  |  |  | 500,000 |
|  |  |  |  |  |  |
| Purchase of finisher | 6,900,000 |  |  |  |  |
| Feed |  |  |  |  | 6,9000,000 |
|  |  |  |  |  |  |
| Purchase of Vitamins | 678,000 |  |  |  |  |
|  |  |  |  |  | 678,000 |
| Purchases Of Vaccines | 581,000 |  |  |  |  |
|  |  |  |  |  | 581,000 |
| **Total** | **92,227,000** | **400,000** | **200,000** |  | **92,827,000** |
|  |  |  |  |  |  |

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Sweet Chicken Pieces

1. **Repayment Plan**

Example

We intend on fully paying back the loan in approximately five years. The grace period is three months to allow for renovations of the chicken runs.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | YR1 | YR2 | YR3 | YR4 | YR5 |
| Loan Disbursement | **92,827,000** | 0 | 0 | 0 | 0 |
| Repayments @18%: | 92,827,000 | 0 | 0 | 0 | 0 |
| Facility Fee YR 1 | 1,856,540 |  |  |  |  |
| Principal | 14,656,895 | 19,542,526 | 19,542,526 | 19,542,526 | 19,542,526 |
| Interest | 16,708,860 | 14,070,619 | 10,552,964 | 7,035,309 | 3,517,655 |
|  |  |  |  |  |  |
| Total | 31,365,755 | 33,613,145 | 30,095,491 | 26,577,836 | 23,489,140 |
| Schedule: |  |  |  |  |  |
| Month 1 | 0 | 2,546,340 | 2,546,340 | 2,546,340 | 2,546,340 |
| Month 2 | 0 | 2,546,340 | 2,546,340 | 2,546,340 | 2,546,340 |
| Month 3 | 0 | 2,546,340 | 2,546,340 | 2,546,340 | 2,546,340 |
| Month 4 | 2,546,340 | 2,546,340 | 2,546,340 | 2,546,340 | 2,546,340 |
| Month 5 | 2,546,340 | 2,546,340 | 2,546,340 | 2,546,340 | 2,546,340 |
| Month 6 | 2,546,340 | 2,546,340 | 2,546,340 | 2,546,340 | 2,546,340 |
| Month 7 | 2,546,340 | 2,546,340 | 2,546,340 | 2,546,340 | 2,546,340 |
| Month 8 | 2,546,340 | 2,546,340 | 2,546,340 | 2,546,340 | 2,546,340 |
| Month 9 | 2,546,340 | 2,546,340 | 2,546,340 | 2,546,340 | 2,546,340 |
| Month 10 | 2,546,340 | 2,546,340 | 2,546,340 | 2,546,340 | 2,546,340 |
| Month 11 | 2,546,340 | 2,546,340 | 2,546,340 | 2,546,340 | 2,546,340 |
| Month 12 | 2,546,340 | 2,546,340 | 2,546,340 | 2,546,340 | 2,546,340 |
|  |  |  |  |  |  |
| Total | **22,917,058** | **30,556,077** | **30,556,077** | **30,556,077** | **30,556,077** |



1. **Proposed Security**

Four bedroom house in Chalimbana, Lusaka, valued at KR520,000.

1. **Results**

**12.1. Profitability**

The poultry business can be very profitable if well managed. The projected profit analysis for 5 batches of 2000 birds is depicted on the next page:

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Sweet Chicken Pieces

Example

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Sales | 100,000,000 | 224,000,000 | 295,680,000 | 390,297,600 | 515,192,832 | 680,054,538 |
| Cost of sales | 63,000,000 | 144,000,000 | 198,720,000 | 274,233,600 | 378,442,368 | 522,250,468 |
| Gross profit | 37,000,000 | 80,000,000 | 96,960,000 | 116,064,000 | 136,750,464 | 157,804,070 |
| GP Margins % | 37% | 36% | 33% | 30% | 27% | 23% |

A gross annual profit of K37, 000,000 is expected in year one. This is expected to increase to a gross annual profit of K157, 804,070 in year 5.

1. **Sustainability**

Based on the financial projections, the business will be able to profitably sustain its operations even after the monthly CEEC loan deductions. It is expected that the business will be in a much stronger financial position after the CEEC intervention.

1. **Socio-Economic Impact** 
   * This initiative will benefit the community, as we will employ youths to work for our company. The salaries that they will receive will trickle down to members of their families. For the slaughtering and cleaning of the chickens we intend on employing young women to do the job. They will be given chicken intestines and heads as remuneration. This will contribute toward increasing food security in their households and diets.
   * Neighbouring crop farmers will automatically have a closer source for the purchase of their monthly consumption of chickens.
   * Farmers will also benefit, as they will also have a source to buy their manure. As an alternative to chemical fertilizers, the use of chicken manure will improve their yield.
2. **Main Buyers and Suppliers**

**Suppliers**

All our poultry requirements are supplied by Golan Poultry Solutions, located in the Agricultural Show Grounds Lusaka.

**Buyers**

Our clientele consists of: marketers from Garden Compound, Chaisa, Chawama and Soweto Markets; Chicken Inn Take Away and individual customers from around Lusaka.

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Sweet Chicken Pieces

Example

1. **Key Success Factors** 
   1. The personnel involved in the operations of the chicken production are very experienced. They have been involved in poultry farming for the past three years.
   2. Sweet Chicken Pieces have reliable suppliers of high quality chicks, feeds and vaccines
2. **Environment Concerns**

The waste from this industry comes in form of manure which will be sold at a minimal price to crop farms located near Sweet Chicken Pieces premises. Strict hygiene standards as required under the Public Health Act will be adhered to. In addition once the chickens are de-feathered and the feathers will be used to make compost.

**16. Risk Management**

|  |  |
| --- | --- |
| **Risk** | **Mitigation** |
| Diseases – there is a | The possibility of having disease outbreak will be mitigated by observing |
| possibility of disease | strict hygienic conditions in the poultry houses, proper handling of feed and |
| outbreaks | medication. A strict disinfection procedure will be observed by all |
|  | individuals accessing the poultry houses |
| Mortality - Chickens may | To reduce the number of mortalities, the chickens will be cared for in the |
| die during the 6 week | best and appropriate manner required. They will be vaccinated on the due |
| course due to various | dates, vitamins will be given to them when required and most importantly |
| reasons | they will be fed the correct feed at the time. |
| Theft - this a risk in any | The poultry houses are enclosed in electric fences. In addition a guard will |
| business | be employed. |

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Sweet Chicken Pieces

**ANNEXES**

**Annex 1 Financial Statement**

**Cash Flow Statement**

Example

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Year 0** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
|  |  | **ZMK** | **ZMK** | **ZMK** | **ZMK** | **ZMK** |  |
| **Cash Inflows** |  |  |  | ` |  |  |  |
| Loans/Invesment Capital |  | 25,000,000 | 92,827,000 | - | - | - | - |
| Sales (Chickens) |  | 100,000,000 | 224,000,000 | 295,680,000 | 390,297,600 | 515,192,832 | 680,054,538 |
| **Total cash inflows** |  | **125,000,000** | **316,827,000** | **295,680,000** | **390,297,600** | **515,192,832** | **680,054,538** |
|  |  |  |  |  |  |  |  |
| **Cash Outflows** |  |  |  |  |  |  |  |
| **Fixed assests** |  |  |  |  |  |  |  |
| Motor vehicle |  |  | 60,000,000 |  |  |  |  |
| Building |  | 23,220,400 |  |  |  |  |  |
| Equipment |  | 3,479,600 |  |  |  |  |  |
| Feeders |  |  | 408,000 |  |  |  |  |
| Drinkers |  |  | 3,071,600 |  |  |  |  |
| Poutry house |  |  | 11,450,000 |  |  |  |  |
|  |  |  |  |  |  |  |  |
| **Cost of Sales** |  |  |  |  |  |  |  |
| Chickens |  | 63,000,000 | 144,000,000 | 198,720,000 | 274,233,600 | 378,442,368 | 522,250,468 |
| **Expendintures** |  |  |  |  |  |  |  |
| Interest on loans |  |  | 16,708,860 | 14,070,619 | 10,552,964 | 7,035,309 | 3,517,655 |
| Communication (Telephone & |  | 4,000,000 | 1,200,000 | 1,380,000 | 1,587,000 | 1,825,050 | 2,098,808 |
| Utilities Electricity |  | 5,000,000 | 6,000,000 | 6,900,000 | 7,590,000 | 8,349,000 | 9,183,900 |
| General Office Supplies |  |  | 6,000,000 | 6,900,000 | 7,935,000 | 9,125,250 | 10,494,038 |
| Bank Charges |  |  | 3,000,000 | 3,450,000 | 3,967,500 | 4,562,625 | 5,247,019 |
| Vehicle Repairs and Maintenance | |  | 4,000,000 | 4,600,000 | 5,290,000 | 6,083,500 | 6,996,025 |
| Fuels and oils |  |  | 6,000,000 | 6,900,000 | 7,935,000 | 9,125,250 | 10,494,038 |
| Salaries and wages |  | 20,000,000 | 6,500,000 | 7,475,000 | 8,596,250 | 9,885,688 | 11,368,541 |
|  |  |  |  |  |  |  |  |
| Loan repaymensts |  |  | 14,656,895 | 19,542,526 | 19,542,526 | 19,542,526 | 19,542,526 |
| Tax paid |  |  | 2,800,000 | 10,300,784 | 10,919,697 | 16,983,763 | 23,335,740 |
| **Total cash outflows** |  | **118,700,000** | **285,795,355** | **280,238,929** | **358,149,537** | **470,960,330** | **624,528,756** |
|  |  |  |  |  |  |  |  |
| **Cash Flow Summary** |  |  |  |  |  |  |  |
| Total inflows |  | 125,000,000 | 316,827,000 | 295,680,000 | 390,297,600 | 515,192,832 | 680,054,538 |
| Total outflows |  | 118,700,000 | 285,795,355 | 280,238,929 | 358,149,537 | 470,960,330 | 624,528,756 |
| Net cash flow |  | 6,300,000 | 31,031,645 | 15,441,071 | 32,148,063 | 44,232,502 | 55,525,782 |
| Balance b/f |  | - | 6,300,000 | 37,331,645 | 52,772,716 | 84,920,779 | 129,153,281 |
| **Balance c/f** |  | **6,300,000** | **37,331,645** | **52,772,716** | **84,920,779** | **129,153,281** | **184,679,063** |



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Sweet Chicken Pieces

**Profit and Loss Statement**

Example

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **REVENUE** |  |  |  |  |  |  |
| Sales | 100,000,000 | 224,000,000 | 295,680,000 | 390,297,600 | 515,192,832 | 680,054,538 |
| Cost of sales | 63,000,000 | 144,000,000 | 198,720,000 | 274,233,600 | 378,442,368 | 522,250,468 |
| Gross profit | 37,000,000 | 80,000,000 | 96,960,000 | 116,064,000 | 136,750,464 | 157,804,070 |
| GP Margins % | 37% | 36% | 33% | 30% | 27% | 23% |
|  |  |  |  |  |  |  |
| **Expenditures** |  |  |  |  |  |  |
| General and selling expenses | 29,000,000 | 32,700,000 | 37,605,000 | 42,900,750 | 48,956,363 | 55,882,367 |
| Depreciation charge | - | 1,160,328 | 14,085,248 | 14,085,248 | 14,085,248 | 14,085,248 |
| Interest on loans |  | 16,708,860 | 14,070,619 | 10,552,964 | 7,035,309 | 3,517,655 |
| **Total expenditures** | **29,000,000** | **50,569,188** | **65,760,867** | **67,538,962** | **70,076,920** | **73,485,270** |
| Net profit/(Loss) before tax | 8,000,000 | 29,430,812 | 31,199,133 | 48,525,038 | 66,673,544 | 84,318,801 |
| Taxation charge | 2,800,000 | 10,300,784 | 10,919,697 | 16,983,763 | 23,335,740 | 29,511,580 |
| **Net profit/(Loss) after tax** | **5,200,000** | **19,130,028** | **20,279,436** | **31,541,275** | **43,337,804** | **54,807,221** |
| **Balance Sheet** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  | **Year 0** | **Year 1** | **Year 2** | **Year 3** | **Year 4** | **Year 5** |
| **ASSETS:** |  |  |  |  |  |  |
| **Non Current assets** |  |  |  |  |  |  |
| Property, plant and equipmen | 26,700,000 | 100,469,272 | 86,384,024 | 72,298,776 | 58,213,528 | 44,128,280 |
|  |  |  |  |  |  |  |
|  | **26,700,000** | **100,469,272** | **86,384,024** | **72,298,776** | **58,213,528** | **44,128,280** |
| **Current assets** |  |  |  |  |  |  |
| Accounts receiveables |  | - | - | - | - | - |
| Bank and cash balances | 6,300,000 | 37,331,645 | 52,772,716 | 84,920,779 | 129,153,281 | 184,679,063 |
|  | **6,300,000** | **37,331,645** | **52,772,716** | **84,920,779** | **129,153,281** | **184,679,063** |
|  |  |  |  |  |  |  |
| **Total assets** | **33,000,000** | **137,800,917** | **139,156,740** | **157,219,555** | **187,366,809** | **228,807,343** |
|  |  |  |  |  |  |  |
| **EQUITY AND LIABILITIES** |  |  |  |  |  |  |
| **Share capital and reserves** |  |  |  |  |  |  |
| Share capital | 25,000,000 | 25,000,000 | 25,000,000 | 25,000,000 | 25,000,000 | 25,000,000 |
| Capital Reserves | - | - | - | - | - | - |
| General reserves | 5,200,000 | 24,330,028 | 44,609,464 | 76,150,739 | 119,488,542 | 174,295,763 |
|  | **30,200,000** | **49,330,028** | **69,609,464** | **101,150,739** | **144,488,542** | **199,295,763** |
| **Long term Liabilities** |  |  |  |  |  |  |
| Long term loans |  | 78,170,105 | 58,627,579 | 39,085,053 | 19,542,526 | - |
| Total long term financing | - | 78,170,105 | 58,627,579 | 39,085,053 | 19,542,526 | - |
|  |  |  |  |  |  |  |
| **Current liabilities** |  |  |  |  |  |  |
| Creditors and accruals | - | - | - | - | - | - |
| Tax payable/deffered tax | 2,800,000 | 10,300,784 | 10,919,697 | 16,983,763 | 23,335,740 | 29,511,580 |
| **total current liabilities** | 2,800,000 | 10,300,784 | 10,919,697 | 16,983,763 | 23,335,740 | 29,511,580 |
|  |  |  |  |  |  |  |
| **Total equity and liabilites** | **33,000,000** | **137,800,917** | **139,156,740** | **157,219,555** | **187,366,809** | **228,807,343** |



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Sweet Chicken Pieces

Example

**Appendix ii Business Background**

Sweet Chicken Pieces commenced its business activities in May 2009; it was formally registered as a Sweet Chicken Pieces Ltd, a Company Limited by Shares on 9th November 2010.

**Appendix iii Ownership**

**Ownership**

Sweet Chicken Pieces Ltd is private company limited by shares jointly owned by Mr. XXX Zulu andMrs XXX Zulu. Miss XXX Zulu, aged 23, is the major shareholder of the company holding 75% of shares. Miss XXX Zulu, aged 32, is the minor shareholder of the company holding 25% of the share. Copies of the last page of the Articles of Association, Tax Payer Identification Number Certificate, Certificate of Share Capital, Certificate of Minimum Capital, and the Certificate of Incorporation have been attached to this business plan.

**Senior Management Profile**

The directors, Kabembo Bwalya and Mupeta Bwalya, are enthusiastic young women who are eager to contribute to the development of the country. They are determined young ladies who are eager to empower themselves but most importantly desire to contribute to the development of this country.

XXX Zulu

Ms XXX Zulu is a qualified accounting technician and is currently pursuing her ACCA qualification at the Zambia Centre of Accountancy Studies. She is undertaking level two of the three levels in the ACCA programme. And she will take on board her expertise in accounting to the business. She is aged 23. She has been involved in the poultry rearing for the last three years.

XXX Zulu

Ms XXX Zulu is currently in first year of University. She has great people’s skills, which she will put into practise in the running of the business. She is 19 years of age and has been involved in poultry rearing for the last three years.

**Board of Directors**

Our board consists of a qualified panel:

Mrs YYY is a qualified agriculturist and has been in farming for the past 10 years.

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|  |  |  |
| --- | --- | --- |
| Sweet Chicken Pieces | Example |  |
|  |  |

Mr XXXX is a qualified agriculturist. He works at the Food Reserve Agency in Lusaka.

Mrs XXXX is a farmer in Lusaka West with vast experience in chicken rearing.

CEEC Official

**Appendix IV Country Factors**

Sweet Chicken Pieces Ltd is governed by the following laws:

(i) Public Health Act

**Appendix v Major Stakeholders**

* The employees of Sweet Chicken Pieces Ltd. Any positive or negative effects have a direct influence on their well-being
* The shareholders of Sweet Chicken Pieces Ltd. They have a keen interest in the company’s profitability.
* CEEC, as financer, would like to ensure that the business is a success. So that their money is paid back, and Sweet Chicken Pieces Ltd to succeed as a company managed by young females
* Our customers rely on the products as a source of food or income in the case of marketers.

**Appendix VI Creditors and Debtors**

We currently have no debtors or creditors.

**Appendix vii Claims and Litigations**

We have no claims or litigation.

**Appendix ix References**

**Testimonial**

Mrs Glynis Msiska has given a testimonial, which has been submitted as part of the proposal. Please find attached completed testimonial form.

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Sweet Chicken Pieces

Example

**Personal Assurance**

Mrs XXX Zulu of Lusaka West will ensure that the ladies pay back the loan as agreed. Mrs

Bwalya’s contact details are as follows:

Cell Phone:

P.O. Box

Farm # Lusaka West

Mrs XXX Zulu is currently working as the Managing Director of YYY s Shop in Lusaka.

**Past & Present Bankers**

A personal bank account was used before but now a current account has been opened with Stanbic Bank Zambia.

**Latest Tax Clearance Certificate**

None

**Appendix x Insurance Information**

None

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