

# SMALL SCALE FISH FARMING BUSINESS PLAN

## Executive Summary

\*\*\*\*\*is a duly registered business that will conduct its operations from \*\*\*\*\*area, west of Lusaka, Zambia. The business is a private family owned one and will be managed by Mr. Keith Soboya.

The main focus of the business is to raise different species of fish that is found of the Zambian market such as Tilapia and Catfish. The Fish industry has had a good market price over the year's cause of its high demand, so we plan to run as a medium scale for a year and later expand to different production size.

In our start up plan, we have set up a start-up capital of about

## Our Products and Services

Soboya Farms will make sure everything is in place, so that we raise the fish to its recommended size in order to survive the competition in the industry. In our start-up stage we plan on focusing on the following:

- Raising and supplying of tilapia, trout and cat fish
- Fish breeding and supplying of fingerlings
- Fish farming training
- Fish processing
- Refrigeration services

## Mission Statement

Our focus is to produce quality, healthy and high nutritional value fish products and services that will be affordable and improve the lives of people. Our services and products will be different from the ones customers get from other farms.

## Vision Statement

Our vision is to become one of the leading aquaculture organizations in Lusaka and be among the top five in Zambia.

## Our Goals

- To become a leading company in the aquaculture local sector and later

- strengthen to an international position
- To be find transparency in our organizational structure, operations and production of the company
  - To product the environment through the use of green products
  - To successfully meet the demands of the domestic market and global market
  - To enhance productivity and efficiency for the benefit of our shareholders
  - To create a vertical integration of production and to add value

### **Key Characteristics of the Industry**

Fish farming is the raising and marketing of fish in a controlled environment such as ponds, tanks or enclosure for profit making or commercial purpose. The aquaculture industry in the Zambia is growing at a faster due to the demand growing segments of the agriculture market today. The growth potential for the aquaculture market is at its strongest level ever. The demand for fish is increasing due to the ever-increasing health consciousness of the American consumer. Per capita consumption of fish in the Zambia has increased from 2.5kg per household to 5kg in 2017/2018 because of its drop in market prices. The increase in demand is stressing the Zambia natural water fisheries leading fish bans yearly. This has lead to the promotion of new entrants in the aquaculture who are trying to meet the country's demand.

The increasing number of fish farmers is helping to promote food security and high nutritional levels both at national and household level.

But it's a medium term business because it takes 4-6 months for the fish to reach table size and production is usually affected by high cost of commercial feeds.

### **Brief Financial Highlights**

A market research and survey was conducted, it was discovered that the sales generated by a medium fish farm depend on the size of pond and the network of the farm.

The marketing strategies are well outlined and we are quite optimistic that we will meet or even go beyond our set sales target from the year of operations and build the business from survival to sustainability.

The agriculture sector has been thoroughly examined and it has been analyzed that we have a positive chance of making 100% profit in the industry. The sales projection is based on information gathered on the field and some workable assumptions as well with respect to the nature of fish production business that we want to run.

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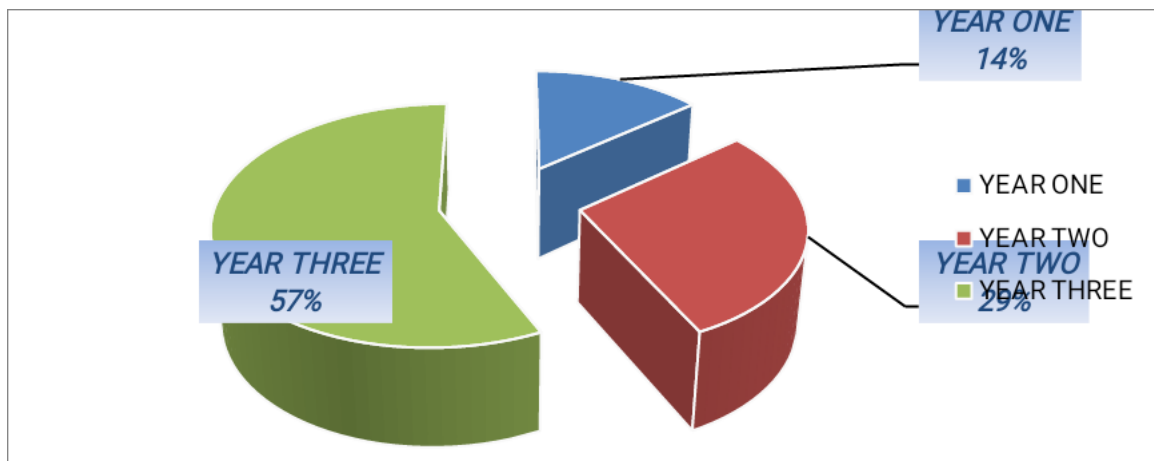


Below are the sales projections that we came up with for the first three years of running the farm in two production cycles;

YEAR	SALES FORECAST
YEAR ONE	K 49,600 using one pond per two cycles each cycle being 6 months
YEAR TWO	K 99,200 using two ponds per two cycles each cycle being 6 months
YEAR THREE	K 198,000 using four ponds per two cycles each cycle being 6 months

THE SALES FORECAST IS A CALCULATED ESTIMATE WHICH IS BASED ON SOME RELIABLES SOURCES BUT THE FIGURES ARE LIKELY TO BE HIGHER IF FUEL COST IS TO BE SUBMITTED FOR SOLAR PUMP.

Change of Sale in Percentages



EXPECTED REVENUE PER POND	EXPECTED EXPENDITURE PER POND
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ITEM	QUANTITY	UNIT COST	TOTAL AMOUNT	ITEM	UNIT COST	TOTAL AMOUNT
SALE OF FISH	3000	K25/KG	K45,000	VARIABLE COST		
TOTAL INCOME			45,000	WAGES	1,500	9,000
				FEED		4000
EXPECTED NET INCOME		K 24,800		FUEL	1,200	7,200
				TOTAL EXPENSE		K 20,200

**NB: THE TOTAL EXPENSE WOULD BE LESS K 7,200 IF SOLAR PUMP IS ENGAGED: TOTAL EXPENSE WILL BE K 13,000 AND NET INCOME WILL BE K 32,000.**

### Swot Analysis

The Soboya farm has decided to conduct a swot analysis because it doesn't intend to have trial and error during its first conduct in the industry. The farm looks forward to maximizing its strength and opportunities and also work around the weaknesses and threats. Below is a Swot analysis that has been conducted

<p><b>STRENGTHS</b></p> <ul style="list-style-type: none"> <li>✓ Owner operated business</li> <li>✓ Qualified and well trained team</li> <li>✓ Good relationship with major agriculture merchants</li> <li>✓ Capacity to increase production without major investment</li> <li>✓ Low production cost</li> <li>✓ Good farm location because it will be easily accessed by the buyers</li> </ul>	<p><b>WEAKNESSES</b></p> <ul style="list-style-type: none"> <li>✓ New entrants so the buyers have to know more about the farm and the products</li> <li>✓ Face a lot of competition from well established farms and processors</li> <li>✓ Unknown production output due to climatic influence</li> <li>✓ Missing sound policies both at community and national level</li> <li>✓ Insufficient communication between the farmers, associations and policy lawmakers</li> </ul>
<p><b>OPPORTUNITIES</b></p> <ul style="list-style-type: none"> <li>✓ Source other farm land in the future in order to expand on our production</li> <li>✓ Open supply outlets in all potential markets</li> <li>✓ Diversify into more processed products</li> </ul>	<p><b>THREATS</b></p> <ul style="list-style-type: none"> <li>✓ Inflation of prices</li> <li>✓ Predator such as birds</li> <li>✓ New entrants</li> <li>✓ Bad weather</li> <li>✓ Unfavorable government policies</li> </ul>

### Market Analysis

**Market Trends:** One prominent trend in the industry is the fact that fish farmers and health experts influence the health benefits of fish in promoting the fish farming business and other marine products.

Fish is a great source of proteins, health source of fats and omega fatty acids.

The fish market has a lot of demand hence the failure to saturate it by the increasing number of entrants and the periodical fish ban.

**Target Market:** Our target market will include the following:

- ✓ Individual consumers
- ✓ Industrial processors
- ✓ Distributors
- ✓ Butcheries
- ✓ Agriculture merchants

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## Competitive Advantage

Most entrepreneurs are venturing into the Fish business because it's one of the most incomes generating business in the agriculture industry in Zambia and other parts of Africa. Government is encouraging entrepreneurs to embrace farming as this is part of nation success.

Soboya farm is aware that it has high competition in the fish industry throughout the country that's why a research was conducted in order to know the available market and how to take advantage of it.

The main factors that will give us competitive advantage are effective and very competitive price, good network by joining fishery and livestock groups and maintain excellent relationship with the consumers. We will bring to the industry a well designed business that will operate in all different areas such as fish processing and packaging plant as this will enable us to take advantage of all the accessible opportunities within the industry.

Our employees will have an increasing package depending with the growth of the business because we want them to build the business with us and help deliver the organizational goals and achieve all our objectives in the right timeframe.

## Sales and Marketing Strategies

We have come up with the following strategies to promote our fish farming business:

- ✓ We will first introduce our samples to everyone so that they have a picture of what we are talking about.
- ✓ We will conduct adverts on social media platforms as pass out fliers
- ✓ We plan to create a website, facebook page and brochure
- ✓ We will carry out special promo's and loyalty building programs

## Financial Plan

A total sum of K 33,000 is what will be required to start the fish farming business.

In our case the startup capital will be sourced from our savings bank and it won't require any contributions or loans.

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For your planning purposes, actual current price are below and the budget has been made to specifications of 10\*30 fish pond

ITEMS		COST
Land	10m *30m	
Pond Construction		K 3,000
Well Construction/ Water Supply	Water Pump	K 3,500
Feed		K 4,000
Dam liner		K 13,000
Dam liner joining		K 750
Labor	For installing liner	K 800
Pipes	Inlet/ outlet	K 450
Fingerlings		K 1500
<b>Total Fish Farm Cost</b>		<b>K 27,000</b>

### Conclusion

The business plan is a fish farming plan and operations will take place in Lusaka west and the success of the farm lies on our expected loyal customers and employees.

With close to 24,800 as profit per cycle from a single pond, we expect the business to quickly get stable.