

WOMEN & YOUTH REARING VILLAGE HENS REARING AND EGGS AID FOR TRADE-COMPACT LOANS

COMPACT LOANS US\$865 FOR REARING LOCAL HENS & EGGS

Introduction

Kachi Agriculture Micro Finance an access to finance entity of Schweizer Agriculture aims at providing compact loans to women/youth cooperatives. This opportunity is for providing compact loans for rearing of local hens for white meat and production of eggs. A hen is a domestic fowl bred for eggs or meat. An egg is an oval shaped cell laid by females of many different species, including birds. This business idea is viable because small scale farmers, households can get eggs, meat, hatch more chicks and the excess can also be sold at their wish. This business opportunity aims at production of 162,000 trays of eggs annually and 1,350 off layers annually. The revenue potential is estimated at US \$ 18,520 annually. Kachi is focusing on SMEs with an initial capital investment cost for the project of US\$865. The first three months demand a lot of investment yet returns are not realized. This opportunity will require a lot of patience..

Processes description

Chicks are kept in the brooder in which they are vaccinated and well fed on chick mash for 2 months till they grow feathers. They are then shifted to the main shelter in which they are fed for 3 months on growers mash. Cocks are then introduced to help fertilize the eggs. Reduce the noise, feed them on greens, ensure that water is enough and the hens will lay eggs.

Market Analysis

The demand for local eggs is very high and fetches a higher price on the market. Eggs can be supplied to supermarkets, wholesale and retail shops, institutions, Congo DR, Angola etc. There are several investors in this industry spread across the country.

Scale of Investment

Capital Investment Requirements in US\$

Capital Item	Units	Qty	Unit Cost	Amount
Feeders	No	50	2.5	125
Drinkers	No	60	1.5	90
Brooder	No	2	75	150
Stands	No			500
Total				865

Production and Operating Costs in US\$

Cost Item	Units	Unit cost	Qty/ day	Pdn Cost/ day	Pdn Cost/ month	Pdn Cost/ Year1
Direct costs:						
Chicks	No	0.5	0	0	62.5	750
Coffee						
Husks	Bags	2	0	0	40	480
Feeds	Bags	7.5			195	2340
Medicine		0	0	0	15	180
Egg trays	Pcs	0.75	0	0	8	100
Subtotal					321	3,850
General costs (Overheads)						
Labor					300	3,600
Utilities					100	1,200
Administrative expenses					100	1,200
Shelter (rented)					250	3,000
Depreciation (Asset write off) Expenses					36	433
Sub-total					786	9,433
Total Operating Costs					1,107	13,283



Production is assumed for 365 days per year. Depreciation assumes 2 year life of assets written off at 50% per year for all assets.

Project Product Costs and Price Structure in US\$

Item	Period	Output	Unit Cost	Unit price	Total cost	T/rev
Eggs	4 month	162,000	0.07	0.11	11,500	17,820
Off Layers	1 year	1350	1.37	2	1,850	700
Total		163,350				18,520

Profitability Analysis Table in US\$

Profitability Item	Per day	Per Month	Per Year
Revenue	59	1,543	18,520
Less: Production and Operating Costs	43	1,107	13,283
Profit	17	436	5,238

Source of Supply of Equipment and Raw materials

The necessary Equipment and Raw materials can be locally sourced through Appropriate Technology™ and other listed suppliers.

Government facilities and incentives

There are various Government of Zambia (GRZ) programs from which this project could benefit and they include: Ministry of Fisheries and Livestock, The Ministry of Youth, Sport & Arts, Zambia Development Agency (ZDA), Citizens Economic Empowerment Commission (CEEC), Constituency Development Fund (CDF), Department of Resettlement under the Office of the Vice President etc. There are also extension workers such as veterinary officers that could provide support.