



EGGS FOR
EDUCATION

FUNDING AND BUDGET FOR A POULTRY FARM WITH 1000 LOCAL CHICKENS



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Table of Contents

Table of Contents	2
Introduction.....	3
Explanation for the calculations of the annual profit	4
Budget for the construction of a poultry house.....	5
Budget for other materials	6
Financial input to purchase 1000 chicks	7
Total financial input to build a poultry farm and purchase 1 000 chickens.....	7
Layers.....	8
Expenses for 500 layers.....	8
Income for 500 layers.....	8
Profit for 500 local layers:	8
Annual profitability for 500 layers.....	8
Broilers	10
Expenses for 500 broilers	10
Income for 500 broilers	10
Profit for 500 broilers	10
Annual profit for broilers.....	10
Conclusion	11



Introduction

This document shows the preliminary budget for the construction of a poultry house and 1000 local chickens.

The figures have been taken from documents showing the past construction plan for Kisugu Primary School Poultry Farm (which was quite expensive) and estimations made by staff at Bukasa Primary School, where we asked a teacher that has constructed poultry houses in the past for a cheaper solution. Eggs for Education will gather more exact details and a construction plan during their visit in Uganda in June 2011.

When you buy local chickens the sexes are not separated, therefore you get ca. 50 percent layers and 50 percent broilers. The numbers can change a bit but the calculations in this document are for 50/50. It takes about 8 weeks before you can separate the sexes from each other.

All prices are in Swedish Kronor (SEK), based on an exchange rate from the summer 2009, when the

Ugandan Shilling was stronger than today's, in case of changes.

The conclusion is that it costs 66 401 SEK to construct a poultry house and to reach full capacity with 1000 chickens. After the investment the poultry farm will generate an annual income of about 30 000 SEK.



Explanation for the calculations of the annual profit

The poultry house will always be filled with around 1000 chickens. Every 23 weeks, the broilers will be sold for consumption and new chickens will be purchased. Only the calculations for the first phase of 500 layers will be shown in this budget, but note that more layers will be added every time a new purchase of chickens is made. For example, after 23 weeks, 500 broilers will be sold and a new phase of chickens bought. These will be mixed of around 250 layers and 250 broilers. After that phase of broilers are sold, 250 chickens will be bought (125 layers and 125 broilers). This means that there will be layers at different stages. In the annual profit, the sale of two phases of broilers has been included.

52 weeks (1 year) has been chosen as an average to represent the annual profit for 500 layers and 750 broilers, although the amount of either sex will vary throughout the year.



Budget for the construction of a poultry house

Item	Price/unit	Number	Total
Site clearing	105 SEK		105 SEK
Foundation excavation	333 SEK		333 SEK
Aggregate	701 SEK /trip	2	1 402 SEK
Bricks	0,8 SEK	2500	2 000 SEK
Cement	105 SEK /bag	24	2 520 SEK
Sand	561 SEK /trip	4	2 244 SEK
Timber (for the roof)	53 SEK	78	4 105 SEK
Cutting of timber	9 SEK		9 SEK
Eukalyptus	12 SEK/unit	45	540 SEK
Treated posts	84 SEK/unit	13	1 092 SEK
Wire mesh	84 SEK/roll	10	840 SEK
Nails	18 SEK/kg	25	450 SEK
Iron sheets	77 SEK/unit	42	3 234 SEK
Ridges	7 SEK/unit	5	35 SEK
Door (frame and shutter)	561 SEK/unit	1	561 SEK
Transport	1053 SEK		1053 SEK
Wiring the poultry house	351 SEK		351 SEK
Miscellaneous	1404 SEK		1404 SEK
Labour	1754 SEK		1 754 SEK
GRAND TOTAL			24 032 SEK

It will cost 24 032 SEK to construct a poultry house



Budget for other materials

Item	Price/unit	Number	Total
Disinfection of the poultry house	105 SEK		105 SEK
Feeding troughs (small)	9 SEK	10	90 SEK
Feeding troughs (large)	18 SEK	15	270 SEK
Water troughs	18 SEK	15	270 SEK
Clay pots (for heat)	21 SEK	5	105 SEK
Boots	57 SEK	1	57 SEK
Laying nests	53 SEK	25	1325 SEK
Thermometer	70 SEK	1	70 SEK
Weighing scale	105 SEK	1	105 SEK
Measuring cup	35 SEK	1	35 SEK
Empty Trays for Eggs	158 SEK		158 SEK
Rake	35 SEK	1	35 SEK
Book of Accounts	484 SEK	1	484 SEK
Check book	35 SEK		35 SEK
GRAND TOTAL			3 144

An additional 3 144 SEK will be needed for other material.



Financial input to purchase 1000 chicks

It takes 23 weeks for a hen to start laying eggs and for the broilers to grow big enough to sell. After 23 weeks no additional funding is needed and the poultry farm sustains itself.

The table below shows the budget that Eggs For Education is striving towards achieving in order to buy 1000 chicks. It shows expenses up to 23 weeks.

Item	Price/unit	Number	Total
Local chicks	3,5	1000 chicks	3 500 SEK
Feeds		1000 chicks	25 755 SEK
Vaccinations		1000 chicks	910 SEK
Saw dust	11 SEK / bag	40 bags	440 SEK
Charcoal	123 SEK / bag	50 bags	6 150 SEK
De-worming		1000 chicks	350 SEK
Fixed costs ¹			2 120 SEK
GRAND TOTAL			39 225

Cost for 1000 local chickens for the first 23 weeks: 39 225 SEK.

Total financial input to build a poultry farm and purchase 1 000 chickens

24 032 SEK + 3 144 SEK + 39 225 SEK = 66 402 SEK

Total financial input to build a poultry farm and purchase 1 000 chickens: 66 402 SEK

¹ Fixed costs includes payment for night watchman, phone bills, bank charges and transport. These costs are more or less the same no matter the number of chicks in the poultry.



Layers

Expenses for 500 layers

Below are the calculations for expenses for 63 weeks (the lifetime of a layer). Local hens start to lay eggs after 23 weeks and then they lay for about 40 more weeks.

Item	Price / unit	Number	Total
Chicks	3,5 SEK	500	1 750 SEK
Feeds for life			47 140 SEK
Vaccinations			455 SEK
Sawdust, charcoal, paraffin			3 900 SEK
De-worming			175 SEK
Fixed costs			3 180 SEK
GRAND TOTAL			56 600 SEK

Total expenses for 500 local layers for their whole life time: **56 600 SEK**

Income for 500 layers

The estimated egg production rate for layers is 70 percent. This means that 500 layers lay ca 350 eggs/day or 2450 eggs a week. Each layer lays for 40 weeks which makes the lifetime production from 500 layers= 98 000 eggs.

Eggs from Kisugu Primary School will mostly be sold in trays of 30 eggs. After 40 weeks, 500 layers would have produced 3 266 trays. Each tray is sold for 21 SEK.

Item	Price/unit	Number	Total
Eggs	21 SEK/tray (30 eggs)	3266 trays in 4 weeks	68 600 SEK
Off layers	28 SEK/ bird	500	14 000 SEK
GRAND TOTAL			82 600 SEK

Total income for 500 layers: **82 600 SEK**

Profit for 500 local layers:

$82\,600 - 56\,600 = 26\,000$ SEK

Total profit after 63 weeks: **26 000 SEK**

Annual profitability for 500 layers

$26\,000 \text{ SEK} \div 63 \text{ weeks} = 412 \text{ SEK}$ profit every week

There are 52 weeks in one year

$412 \text{ SEK} \times 52 \text{ weeks} = 21\,424 \text{ SEK}$



The annual profitability for 500 layers: 21 424 SEK



Broilers

Expenses for 500 broilers

Item	Price/unit	Number	Total
Chicks	3,5 SEK	500	1750 SEK
Feeds			13 840 SEK
Vaccinations			455 SEK
Sawdust, charcoal, paraffin			3200 SEK
De-worming			175 SEK
Fixed costs			1 070 SEK
GRAND TOTAL			20 490 SEK

Expenses for 500 broilers: **20490**

Income for 500 broilers

A local broiler that is 23 weeks old may be sold at the price 53 SEK

$$53 \text{ SEK} \times 500 = 26\,500 \text{ SEK}$$

Income for 500 broilers: **26 500 SEK**

Profit for 500 broilers

Since it costs 20490 SEK to rear 500 broilers. The calculations for the profitability are:

$$26500 - 20490 = 6010 \text{ SEK}$$

Total profit for 500 local broilers after 23 weeks: **6010 SEK**

Annual profit for broilers

After 23 weeks, 250 more broilers will be bought and sold when they are old enough to be consumed.

$$500 \text{ layers from phase one} + 250 \text{ layers from phase 2} = 750 \text{ layers in one year.}$$

$$6010 \div 500 = 12 \text{ SEK}$$

$$12 \text{ SEK} \times 250 \text{ broilers} = 3\,005 \text{ SEK}$$

$$6010 \text{ SEK} + 3005 \text{ SEK} = 9015 \text{ SEK}$$

The annual profit for 750 broilers: **9015 SEK**



Conclusion

Cost to start a poultry farm: 66 402 SEK

500 local layers profitability for 52 weeks: 21 424 SEK.

750 local broilers profitability for 52 weeks: 9015 SEK.

Total profitability per year for 1250 chicks: 30 439 SEK.

In a school with 1000 students: 10 SEK/term/student, or 30 SEK/year/student.

OR with term fees at 130 SEK, 230 school fees for free/term, or 80 students for free/year.